FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 3192

DATE FILMED 8-6-97 CAMERA NO. 2

CAMERAMAN S.E.G

97043830002

OGC 8776

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

90 NOV 29 AM 10:44

November 9, 1990

United States Federal Elections Commission
999 E Street, NW
Washington, D. C. 20463

MUR 3192

90 NOV 29 AM 12:12

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

Dear Commissioners:

This letter will serve as an official complaint relative to election law violations in the race for United States Congress in Utah's Third Congressional District.

At least four groups, or individuals acting "independently," have expended thousand dollars in attacking Mr. Karl Snow, the Republican Candidate for Congress, and in turn supporting Mr. Bill Orton, the Democrat candidate. Your Public Records Office has confirmed that none of these individuals, or organizations, has registered with the Federal Elections Commission.

The following summary will serve as an outline for our complaint and request that the Commission conduct and inquiry into these matters at the earliest possible date:

THE STUDENT REVIEW

This "off campus," and unofficial student newspaper printed by a few students attending Brigham Young University ran a series of articles attacking and slandering Mr. Snow's honesty, character, and declaring that Mr. Snow was guilty of stock fraud. These so-called articles were "political attacks" written by a cousin of Mr. Snow's Republican primary opponent. They were written over a period of three weeks with malice of intent to do harm to Mr. Snow's candidacy. The Snow campaign's efforts to offer response or to share with the students two widely published independent probes of these allegations were ignored. Only at the conclusion of the series did the paper ask Mr. Snow to make a response, which was never published.

These "articles" were <u>not</u> identified as editorials or editorial comments. Nor do we believe they can be justified as "news stories." They were written with intent to slander and campaign against the Republican victor of the primary contest. They did, in deed, serve as campaign literature for the Democratic opponent, Hundreds of copies of these articles were distributed beyond the confines of the student housing areas, on the campus of Brigham Young University (where they are "prohibited'), and by staff members of the Orton Campaign as campaign literature.

9704383003

Positive evidence exists that these articles were visibly displayed at the Orton campaign office.

The author and editor of this paper is a young man by the name of Eric Schulzke who lives in Provo, Utah and attends Brigham Young University.

UTAHAN'S FOR ETHICAL GOVERNMENT

This group was organized with the express intent to "expose" Mr. Snow and provide "new evidence" relative to the same charges made by the student newspaper. There is sufficient evidence that this group acted in concert with Mr. Eric Schulzke, who in turn was working with the Orton campaign staff.

Utahan's for Ethical Government was headed by a man by the name of Scott Norton, Provo, Utah, a long time friend of Mr. Orton, the Democrat candidate. There are news stories indicating that Mr. Norton approached Mr. Orton asking how he might help distribute the Schulzke stores, but Orton claims he had no knowledge of the formation of the group. Additional members, according to newspaper accounts included a Mr. Percy Kalt of Provo, Utah, Mr. John Darger of Riverton, Utah, and Mr. Herb Gleason of Florida who was flown in for a new conference, Mr. Mickey Cockran, who was Mr. Harmer's primary campaign manager. The group has repeatedly denied that they have taken any actions that would require federal election filing because members were not endorsing a candidate, but opposing Mr. Snow.

A Mr. Kenneth Murdock has been identified as the financier of the groups activities which included the following:

1. Two score or more radio spots throughout the district attacking Mr. Snow.

2. Publication and distribution of a special "tabloid" taken from articles written by Eric Schuzke and originally published in the Student Review. This tabloid appeared as an insert to the Provo Daily Herald, and at least 12 weekly newspapers. We have been told by the editor of the Provo Daily Herald that the printing of the tabloid was paid for my Mr. Kenneth Murdock. Two rural editors have verified that Mr. Murdock paid for the inserts.

3. These same inserts were available at the Orton H.Q. and were distributed by Orton campaign workers and Republicans for Orton at a rally attended by Vice President Quayle on November 2, 1990. (A possible violation of 11 CFR # 109.1 (c)).

4. At least three full page advertisments in the Provo Daily Herald, attacking Mr. Snow.

9704383004

REPUBLICANS FOR ORTON

This group consisted of former Harmer supporters and included his former campaign manager, Mr. Mickey Cockran, Matt Harmer, Vivian Harmer, Eric Schulzke, and Mr. George Murdock (brother to the above mentioned Kenneth Murdock), and several others including a Rose Higa who acted as secretary. The group caused to be printed hundreds of banners and stickers reading "Republicans For" which were placed on existing Orton for Congress signs which had been paid for by the Orton campaign. Leaders of the group organized transportation for high school students to protest at a Snow rally. Advertizement were also carried by the daily newspapers. There is positive proof that Mr. Bill Orton attended meetings with this group. Mr. George Murdock has been identified as the financier of the groups efforts. The group claims it has not spent more than a thousand dollars, but the evidence would suggest otherwise.

MISS PEGGY FUGAL

Acting on her own, Miss Fugal has paid for two separate full page advertisements attacking Mr. Snow. She may also have participated in ads placed by Utahan's for Ethical Government. Fugal's expenditures for her ads alone exceed the amount allowed for an individual contribution. Miss Fugal has told friends that she did not need to register because she was only opposing Mr. Snow, not supporting Orton.

I have reason to believe that the above groups and individuals were acting in concert and had frequent contact with each other, and Mr. Orton, and that they had been fully advised of the necessity to file with the commission by the editor of the local paper. I respectfully request an immediate and official investigation of the above allegations.

I believe that I have sufficient information to warrant an investigation and that the foregoing is not simply heresy.

Singed and swern to this the 20 day of November, 1990, Provo, Utah.

Sheldon Bradshaw
735 N. 400 East # 22
Provo, Utah 84604
375-7817

Notary Public
my commission expires 1/28/92

9704383005

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 10, 1990

Sheldon Bradshav
735 North 400 East #22
Provo, Utah 84604

RE: MUR 3192

Dear Mr. Bradshav:

This letter acknowledges receipt on November 29, 1990, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by William H. Orton, Utahns for Ethical Government and Scott Lee Norton, as treasurer, Peggy Fugal, Orton for Congress and Spencer Taylor, as treasurer. The Student Review, Eric Schulzke, Percy Kalt, John Darger, Kenneth Murdock, Mickey Cochran, Herb Gleason, George Murdock, Rose Higa, Matt Harmer and Vivian Harmer. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be sworn to in the same manner as the original complaint. We have numbered this matter MUR 3192. Please refer to this number in all future correspondence. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

If you have any questions, please contact Retha Dixon, Docket Chief, at (202) 376-3110.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosure
Procedures

9704383000 6

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 10, 1990

William H. Orton
Route 3 Box B-10
Provo, Utah 84604

RE: MUR 3192

Dear Mr. Orton:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3192. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

9704383007

If you have any questions, please contact Craig Reffner, the attorney assigned to this matter at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosures
1. Complaint
2. Procedures
3. Designation of Counsel Statement

7743830008

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 10, 1990

Utahns for Ethical Government
and Scott Lee Norton, Treasurer
4230 Scenic Drive
Provo, Utah 84604

RE: MUR 3192

Dear Mr. Norton:

The Federal Election Commission received a complaint which alleges that Utahns for Ethical Government and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3192. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

9104358U009

If you have any questions, please contact Craig Reffner, the attorney assigned to this matter at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosures
1. Complaint
2. Procedures
3. Designation of Counsel Statement

9704383001U

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 10, 1990

Peggy Fugal
646 South 100 West
Orem, Utah 84058

RE: MUR 3192

Dear Ms. Fugal:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3192. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

2 1 0 4 3 8 3 0 0 1 1

If you have any questions, please contact Craig Reffner, the attorney assigned to this matter at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosures
1. Complaint
2. Procedures
3. Designation of Counsel Statement

9704383001 2

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 10, 1990

Orton for Congress and
Spencer Taylor, Treasurer
2145 Blair Street
Salt Lake City, Utah 84115

RE: MUR 3192

Dear Mr. Taylor:

The Federal Election Commission received a complaint which alleges that Orton for Congress and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3192. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

9704383001 3

If you have any questions, please contact Craig Reffner, the attorney assigned to this matter at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosures
1. Complaint
2. Procedures
3. Designation of Counsel Statement

cc: William H. Orton

9704383001 4

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 10, 1990

The Student Review
P.O. Box 7092
Provo, Utah 84602

RE: MUR 3192

Dear Gentlemen:

The Federal Election Commission received a complaint which alleges that The Student Review may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3192. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

9104300015

If you have any questions, please contact Craig Reffner, the attorney assigned to this matter at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosures
1. Complaint
2. Procedures
3. Designation of Counsel Statement

9704383001 6

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 10, 1990

Eric Schulzke
P.O. Box 7092
Provo, Utah 84602

RE: MUR 3192

Dear Mr. Schulzke:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3192. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

9704383001 7

If you have any questions, please contact Craig Reffner, the attorney assigned to this matter at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosures
1. Complaint
2. Procedures
3. Designation of Counsel Statement

9704360010

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 10, 1990

Percy Kalt
4089 Devonshire Circle
Provo, Utah 84604

RE: MUR 3192

Dear Mr. Kalt:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3192. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

9704383001 9

If you have any questions, please contact Craig Reffner, the attorney assigned to this matter at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosures
1. Complaint
2. Procedures
3. Designation of Counsel Statement

9704383000 20

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 10, 1990

John Darger
4932 West 13400 South
Riverton, Utah 84065

RE: MUR 3192

Dear Mr. Darger:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3192. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

9704383002 1

If you have any questions, please contact Craig Reffner, the attorney assigned to this matter at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosures
1. Complaint
2. Procedures
3. Designation of Counsel Statement

7/U438300022

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 10, 1990

Kenneth Murdock
22 West Ricks Creek Way
Centerville, Utah 84015

RE: MUR 3192

Dear Mr. Murdock:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3192. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

9704386300023

If you have any questions, please contact Craig Reffner, the attorney assigned to this matter at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosures
1. Complaint
2. Procedures
3. Designation of Counsel Statement

9704383002 4

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 10, 1990

Mickey Cochran
743 East 640 North
Orem, Utah 84058

RE: MUR 3192

Dear Mr. Cochran:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3192. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

9704383002 5

If you have any questions, please contact Craig Reffner, the attorney assigned to this matter at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosures
1. Complaint
2. Procedures
3. Designation of Counsel Statement

27044030026

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 10, 1990

Herb Gleason
7201 Ranch Road
Lakeland, Florida 33809

RE: MUR 3192

Dear Mr. Gleason:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3192. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

27043053U027

If you have any questions, please contact Craig Reffner, the attorney assigned to this matter at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosures
1. Complaint
2. Procedures
3. Designation of Counsel Statement

7000700

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 10, 1990

George Murdock
519 West 1200 South
Provo, Utah 84605

RE: MUR 3192

Dear Mr. Murdock:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3192. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

7 0 4 2 8 5 0 0 2 9

If you have any questions, please contact Craig Reffner, the attorney assigned to this matter at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosures
1. Complaint
2. Procedures
3. Designation of Counsel Statement

9104383003 0

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 10, 1990

Rose Higa
c/o Republicans for Orton
236 North 2270 West
Provo, Utah 84601

RE: MUR 3192

Dear Ms. Higa:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3192. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

9704180031

If you have any questions, please contact Craig Reffner, the attorney assigned to this matter at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosures
1. Complaint
2. Procedures
3. Designation of Counsel Statement

9704383003 32

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 10, 1990

Matt Harmer
Brigham Young University
Heritage Halls
Felt Hall 3A
Provo, Utah 84604

RE: MUR 3192

Dear Mr. Harmer:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3192. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

9704383003 3

If you have any questions, please contact Craig Reffner, the attorney assigned to this matter at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosures
1. Complaint
2. Procedures
3. Designation of Counsel Statement

9704383003 4

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 10, 1990

Vivian Harmer
Brigham Young University
Heritage Halls
Felt Hall 3A
Provo, Utah 84604

RE: MUR 3192

Dear Ms. Harmer:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3192. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

9104383035

If you have any questions, please contact Craig Reffner, the attorney assigned to this matter at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosures
1. Complaint
2. Procedures
3. Designation of Counsel Statement

9704383003 6

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE SERVICES BRANCH
90 DEC 24 AM 10:51

MURDOCK

Where "U-R" the Heart of Our Business

MURDOCK CHEVROLET, INC.

2375 South 625 West
Woods Cross, Utah 84087
(801) 298-8090

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
90 DEC 26 PM 12:21

December 17, 1990

Certified Mail P 774 526 150

Mr. Lawrence M. Noble
General Counsel
Federal Election Commission
Washington, D. C. 20463

RE: MUR 3192

Dear Mr. Noble:

I received a letter from you dated December 10, 1990 stating that I am the financier of a group activity for unethical government in Utah.

It attacks me for putting an article in the Provo Herald Newspaper and also some radio spots throughout the District attacking Mr, Karl Snow.

I hereby want you to know that my name is not Kenneth Murdock and that I do not live in Mr. Snow's district. Further, Mr. George Murdock, who you refer to, is not a brother of mine. I know neither of these men.

The address of 22 West Ricks Creek Way, Centerville, Utah 84014 does belong to me, Kent Murdock.

I wish you to release me from the accusations you have made because you are attacking the wrong person.

Sincerely,

Kent Murdock

Kent Murdock

cc: Craig Reffner
Federal Election Comm.
Washington, D.C. 20463

9704383003 7

DGC-9133

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE SERVICES BRANCH
90 DEC 26 AM 10:30

Felt Hall #3A
Heritage Halls
Provo, UT 84604
(801) 371-4280

December 19, 1990

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
90 DEC 27 AM 10:37

Federal Election Commission
General Counsel's Office
999 E. Street, N.W.
Washington, D.C. 20463
Attn: Craig Reffner

Dear Mr. Reffner:

This letter contains my response to matter # MUR 3192. I have addressed this letter directly to you, and trust you will forward it to appropriate parties if necessary.

This matter stems from a letter written by a Mr. Sheldon Bradshaw to the Federal Election Commission (FEC) dated November 9, 1990. Mr. Bradshaw alleges that I was a member of a group called "Republicans for Orton" (RFO). Mr. Bradshaw apparently alleges that RFO violated federal election laws.

To put it bluntly, I was never involved, to <u>any</u> degree, with either RFO or any of the other groups Mr. Bradshaw refers to in his letter. However, you may find the following information useful.

My father, John Harmer, opposed Karl Snow in Utah's 1990 Republican Primary race for Utah's Third Congressional Seat. I believe the primary election was held in early September. Mr. Snow defeated my father, who subsequently endorsed Mr. Snow in Snow's campaign against Bill Orton.

Although I supported my father in his bid for Congress, I was never heavily involved in his campaign due to school and work pressures. I am a full-time law student and my wife is a part-time graduate student; we both attend Brigham Young University. During the summer of 1990 I worked full-time for a large law firm in Salt Lake City. We have two children, and are on-site managers of on-campus student housing units at BYU. As you can imagine, our spare time is extremely limited.

After my father lost the primary, my limited involvement in the election ceased, completely and permanently. Specifically, I <u>never</u> attended a single meeting of RFO. I never participated in any of that group's activities (if, indeed, the group even existed). I never made or received any phone calls on behalf of the group, I never distributed materials or information in any form on behalf of the group, and I never contributed money to the group or paid for any political advertisements. I never met,

9704383003 8

even informally, with members of the group.[1]

To summarize, I was simply not involved in or with any of the activities Mr. Bradshaw alleges in his letter. In fact, I was never involved with any campaign activities whatsoever in 1990 except for the limited activities I participated in expressly for my father's campaign.

Mr. Bradshaw also alleges that the groups and individuals named in his letter were "acting in concert," and that they had "frequent contact with each other." So far as I know, I have never met or spoken with a Miss Peggy Fugal. I have never worked for, written for, or participated in any activities on behalf of the Student Review. I was never involved with any activities on behalf of "Utahn's (sic) for Ethical Government." In fact, of all the individuals mentioned in Mr. Bradshaw's letter, I only know three (see footnote at the bottom of this page).

Mr. Bradshaw alleges that I violated the Federal Election Campaign Act of 1971, as amended. Enforcement of this act is governed by 2 U.S.C. §437(g), which provides in part:

> Any person who believes a violation of this Act . . . has occurred, may file a complaint with the Commission. Such complaint shall be in writing, signed and sworn to by the person filing such complaint, shall be notarized, and shall be made under penalty of perjury and subject to the provisions of section 1001 of Title 18 (emphasis added).

---

[1]Vivian Harmer, whom Mr. Bradshaw alleges was also a member of RFO, is my sister. During the fall of 1990, I occasionally gave her rides to and from her residence in Lindon, Utah, to school in Provo--a distance of roughly 15 miles. But I never participated with Vivian in any campaign activities whatsoever on behalf of RFO or any of the other groups Mr. Bradshaw mentions in his letter. I do not think that Vivian was a member of RFO, but she will, of course, respond separately.

Of all the other individuals Mr. Bradshaw names in his letter, I am acquainted with only two: Mr. Mickey Cockran, who was my father's campaign manager, and Eric Schulzke, who occasionally served as a volunteer on my father's campaign. I see both individuals occasionally, and may have spoken with either or both of them between the primary and general elections. However, any contacts with these people were strictly social, and I never participated with either Eric or Mickey in any activities on behalf of RFO or any of the other organizations Mr. Bradshaw mentions. Again, I do not believe that either Eric or Mickey were involved with RFO, but they will obviously respond separately.

9704383003 9

Mr. Bradshaw, therefore, offered his signed and notarized statement under penalty of perjury and subject to 18 U.S.C. §1001. That statement provides, in relevant part:

> Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies . . . a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined not more than $10,000 or imprisoned not more than five years, or both.

I ask the FEC to commence action immediately against Mr. Bradshaw for violating the provisions of this section and 2 U.S.C. §437(g).

In his letter of November 9, 1990, Mr. Bradshaw alleges that I was a member of RFO, and that I engaged in certain activities on behalf of that group. He then alleges that the groups and individuals named in the letter acted "in concert" and had "frequent contact with each other." Mr. Bradshaw closes his letter with the following statement: "I believe that I have sufficient information to warrant an investigation and that the foregoing is not simply heresy (sic)" (emphasis added).

In this context, if Mr. Bradshaw states that the information in his letter is not hearsay, then he states that he has personal knowledge of that information. Unfortunately for Mr. Bradshaw, he cannot have personal knowledge that I engaged in the activities he says I did or that I was a member of RFO. He has no personal knowledge that I did these things because I never did them. Therefore, his allegations are not only false but must be based on hearsay, contrary to what he states in his letter.

If you depose Mr. Bradshaw, he will have two choices: 1) he may admit that he never saw me participate in any activities on behalf of RFO and has no personal knowledge of me engaging in any activities whatsoever on behalf of RFO or the other organizations he refers to, or 2) he may perjure himself. I am confident that Mr. Bradshaw will choose the former option, and will therefore have to admit that his allegations are based on the representations of others, or in other words, that they are hearsay.

Mr. Bradshaw's statements regarding me are unquestionably "false." So is his statement that the information contained in his letter is "not simply heresy (sic)." By signing a letter alleging that I have engaged in conduct which I have not engaged in, Mr. Bradshaw has "knowingly and willfully" made "false,

9704383004 0

fictitious [and] fraudulent" statements, in direct violation of 18 U.S.C. §1001.

I find Mr. Bradshaw's abuse of federal election law offensive, and I am bothered by the fact that he has chosen to waste tax dollars, your time, and my time with these frivolous and baseless allegations. Therefore, I urge you to act against him so he will understand the serious implications of groundlessly alleging that others have violated federal law.

Finally, I emphasize that all statements and representations in this letter are made on my behalf alone. I make no representations on behalf of any other individuals, and the request to act against Mr. Bradshaw under 18 U.S.C. §1001 applies only so far as he has made allegations against me.

Please keep me informed of the status of this matter.

Sincerely,

Matthew J. Harmer

97043830041

FEDERAL ELECTION COMMISSION
ADMINISTRATIVE LAW DIVISION

90 DEC 28 AM 7:54

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT

90 DEC 28 AM 7:20

To: Mr. Craig Reffer
Federal Election Commission
FAX 202 376-5280

December 27th, 1990

Dear Mr. Reffer,

As per our conversation this morning, I am submitting a request for an extention until January 15th, 1991 for a response from Utahns for Ethical Government in the matter of MUR 3192.

Thank you, for your help.

Scott Norton
Spokesman
Utahns for Ethical Government

2043830042

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 28, 1990

Scott Norton, Treasurer
Utahns for Ethical Government
4230 Scenic Drive
Provo, Utah 84604

RE: MUR 3192
Utahns for Ethical Government
and Scott Lee Norton, as treasurer

Dear Mr. Norton:

This is in response to your letter dated December 27, 1990, which we received on December 28, 1990, requesting an extension until January 15, 1991, to respond to the complaint in the above captioned matter. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by the close of business on January 15, 1991.

If you have any questions, please contact Craig Douglas Reffner, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lisa E. Klein
Assistant General Counsel

9704383004 3

DOC 9177

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE SERVICES BRANCH
90 DEC 31 AM 11:19

Congress of the United States
House of Representatives
Washington, DC 20515

WILLIAM H. ORTON
THIRD CONGRESSIONAL DISTRICT
UTAH

December 24, 1990

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
91 JAN -2 AM 8:12

Mr. Lawrence M. Noble, General Counsel
United States Federal Elections Commission
999 E Street, NW
Washington, D.C. 20463

RE: MUR 3192

Dear Mr. Noble,

On December 14, 1990 I received your letter and the complaint which you have numbered MUR 3192. This written response, submitted within 15 days of receipt of your notice, will serve as a submission of factual and legal materials relevant to your analysis of the complaint. This statement is issued under oath by William H. Orton, Representative-Elect, Third Congressional District, Utah.

The allegations submitted within the above referenced complaint are factually incorrect, inaccurate, without substance or merit, and completely fail to substantiate any violation of the Federal Election Campaign act of 1971 by anyone affiliated with the Orton for Congress Campaign. With regard to the specific allegations, please consider the following:

9704383004 4

The Student Review:

The Student Review is a student newspaper. The newspaper printed news articles and editorial comments regarding the 1990 Congressional election. To my knowledge, the newspaper did not endorse any candidate. No one from the Orton campaign requested or attempted to control what the paper chose to print. The Orton campaign did not advertise in the Student Review, nor did Orton or the Orton campaign contribute any funds whatsoever to the Student Review. The newspaper exercised its First Amendment rights to free political speech.

The Orton campaign did not use the newspaper articles as campaign literature, and no one affiliated with the Orton campaign distributed the papers or articles. The Orton campaign did issue weekly packets of information to the DCCC, various political action committees, contributors and supporters (including copies of newspaper articles from all local newspapers, which may have included Student Review articles.) Inside the Orton campaign office, a bulletin board did include copies of all newspaper articles from all local papers relevant to the campaign.

The complaint alleges malicious intent and slander by the newspaper against the Republican candidate. Such allegations may be the topic of a civil law suit against the publisher, but do not constitute a violation of Federal Campaign laws by Orton or the Orton campaign. The Orton campaign had absolutely no administrative control over or any financial affiliation with the Student Review. The Orton campaign has committed no violation in connection with the Student Review articles. The author of the Student Review articles, Mr. Eric Schulzke, was not a paid or volunteer Orton campaign worker, was not affiliated with the Orton campaign, and acted completely independently.

Utahn's for Ethical Government: (Hereinafter, "UEG")

The complaint alleges that this group "acted in concert with Mr. Eric Schulzke, who in turn was working with the Orton campaign staff." While it is unknown whether the "UEG" group acted in concert with Mr. Schulzke, it is absolutely false that either "UEG" or Mr. Schulzke acted in concert with or had any affiliation with the Orton for Congress campaign.

Mr. Scott Norton, who formed "UEG", was a former acquaintance of Orton during 1982-83, however, Norton was not affiliated an any way with the Orton campaign. Of the other members of "UEG" mentioned in the Complaint, Mr. Orton had only known Mr. Mickey Cochran (former campaign manager of John Harmer who was Snow's Republican primary opponent.) Mr. Orton had never met or had any contact with Mr. Kalt, Mr. Darger, or Mr. Gleason. Orton did not coordinate, control, suggest, recommend, or influence the actions of Norton or "UEG", and in fact refused any involvement with or any comment on the actions of "UEG" or Orton's opponent (Karl Snow). Neither Orton nor the Orton campaign had any financial relationships with Norton, "UEG", or anyone affiliated with "UEG". Members of "UEG" had acknowledged affiliations with the Harmer Congressional campaign, but not the Orton campaign.

It is unknown whether any actions of "UEG" or any of its members violated the Federal Election Campaign Act of 1971, however, neither Orton nor the Orton campaign had any connection or affiliation with "UEG" and violated no statutes. The groups expenditures are "independent expenditures" under the Federal Election Campaign Act, and therefore, not a violation by Orton or the Orton campaign.

Republicans for Orton:

Following a rather divisive primary battle within the Republican Party, many members of the Utah Republican Party were dissatisfied with the candidate on the Republican ticket. Mr. George Murdock and several other prominent Republicans in Utah County contacted Mr. Orton and invited him to Murdock's home to speak to a group of friends and neighbors. Subsequently, another prominent Republican, Mr. Doug Marriott also invited Orton to his home to address friends and neighbors. Orton gave a political speech and answered questions on political issues at both homes but did not discuss expenditures of any money on behalf of the Orton campaign.

9704383004 5

Several people calling themselves "Republicans for Orton" did hold a rally, printed some signs, and gave newspaper interviews. Some banners stating "Republicans for" were printed and placed over campaign signs paid for by the Orton for Congress committee. However, the banners were placed over Orton signs without authorization by the Orton for Congress committee and the Orton campaign asked Murdock to refrain from placing banners over Orton signs and to remove banners placed on signs in locations outside the properties owned by members of the "Republicans for Orton" group. The group raised and expended less than $1,000 in their efforts in support of the Orton candidacy. The groups expenditures are "independent expenditures" under the Federal Election Campaign Act, and therefore, not a violation by Orton or the Orton campaign.

Miss Peggy Fugal:

The complaint states, "acting on her own" Miss Fugal placed ads or participated in "UEG" ads. Prior to the election Mr. Orton had never met Miss Fugal and had absolutely no contact with her. Neither Orton nor the Orton campaign had any control over, or affiliation with Miss Fugal. Miss Fugal's expenditures are "independent expenditures" under the Federal Election Campaign Act, and therefore, not a violation by Orton or the Orton campaign.

Summary:

The complaint fails to set forth any possible violation of Federal Election Campaign laws by Mr. Orton or the Orton for Congress campaign, and accordingly, request is hereby made for the Commission to close the file in the matter.

If you have any further questions, please contact me through my Congressional office at 1723 LHOB. Thank you for your consideration.

Signed and sworn this 24th day of December, 1990.

William H. Orton, Member-Elect

WHO/sk

9704383004 6

DGC 9192

PEGGY FUGAL

Peggy Fugal

Advertising

& Marketing

950 North

University

Avenue

Suite 201

Provo, Utah

84604

801.377-6060

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE SERVICES BRANCH

91 JAN -2 PM 1:29

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

91 JAN -2 PM 3:39

9704383004 7

14 December 1990

Lawrence Noble, General Counsel
Federal Election Commission
Washington, DC 20463

Re: MUR 3192

Dear Mr. Noble:

Thank you for your letter dated 10 December 1990 detailing the complaint filed by Sheldon Bradshaw regarding the Karl Snow/Bill Orton race in the Third Congressional District of Utah. It was forwarded to me by Mr. Scott Norton of Utahns for Ethical Government for my reply.

Mr. Bradshaw's assumptions about me and my involvement in the aforementioned are both exaggerated and inaccurate.

I did not act in concert with Utahns for Ethical Government, Republicans for Orton, and/or Bill Orton.

I personally wrote, produced, placed, and paid for **one** (not two, as Mr. Bradshaw alleges) full-page anti-Karl Snow newspaper ad, which I have enclosed. I filed said ad and expenditure with the Federal Election Commission, which your files will reveal.

I campaigned against Mr. Snow because he had an unpaid debt with my advertising agency that he had ignored for more than six years. In the press Mr. Snow repeatedly denied owing me money, and he slandered my good name and reputation in the process. He left me little choice but to answer his allegations with my own newspaper ad. I assumed I was guaranteed that right by the United States Constitution. Nonetheless, I filed a report of my actions and expenditure with the Federal Election Commission.

I also prepared the artwork for two full-page anti-Karl Snow newspaper ads for Utahns for Ethical Government, who hired my advertising agency for that purpose. Utahns for Ethical Government paid for those ads. Utahns for Ethical Government also filed said ads and expenditures with the Federal Election Commission, which your files will reveal.

In addition, my agency helped Utahns for Ethical Government prepare one press conference and several press releases. As I understand it, Utahns for Ethical Government campaigned against Mr. Snow because of his involvement in a penny stock scam.

Utahns for Ethical Government was a client of my advertising agency. I have many clients. Over the years, I have had several political clients. I am aware of no law that makes an advertising agency responsible for the opinions and/or actions of its clients.

I neither met with nor counseled members of the various Republicans for Orton organizations. I never laid eyes on Mr. Snow's opponent, Bill Orton, until election evening--and then I had to be introduced to him, because he had never laid eyes on me.

The Karl Snow/Bill Orton race for Congress was a heated one. Mr. Bradshaw is a political science major at Brigham Young University where Mr. Snow is employed. Mr. Bradshaw campaigned for Mr. Snow. Mr. Snow expected to win, lost by an embarrassing margin, and was left with heavy debts to pay. I daresay Mr. Bradshaw's complaint is prompted more by his association with Mr. Snow than by his concern for campaign ethics.

I have forwarded this matter to my attorney for further review. Please feel free to contact me or him directly if and when it becomes necessary.

Thank you for your time and consideration.

Sincerely,

Peggy Fugal, Owner
Peggy Fugal Advertising,
a division of Fugal & Fugal, Inc.,
a Utah corporation since 1977

PF:kf
encl.

cc: Thomas Scribner, Watson, Scribner & Burrows, Attorneys at Law for Peggy Fugal Advertising and Fugal & Fugal, Inc.

9704383004 8

06C9202

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE SERVICES BRANCH

91 JAN -3 AM 9:55

MUR 3192

To Whom It May Concern: December 23, 1990

I was the treasurer of Republicans for Orton. Although we had many, many supporters we had very few funds and also little time for our campaign. The newspaper reports were accurate; our expenditures totaled less than $1000.00. The total amount of money collected was $755.00. Our total expenses after everything was included was $826.39. I personally loaned the campaign $100 to get it started and made up the difference myself.

The total expenses were as follows:

1) $140 for 14 billboards "Republicans for Orton"
2) $217.81 for a "Republicans for Orton" banner which flew over the BYU football game.
3) $210.00 for 30 "Republicans for Orton" T-shirts
4) $183.12 for 150 "Republicans for" signs to add to other signs
5) $75.46 for copying, art work, typesetting, balloons and related expenses.

This totals $826.39. My account was kept at a local bank. It was opened on October 19, 1990 and closed out in November of 1990 when I covered a $1.90 deficit created by a math error. All except three donations ranged from $10 to $25. George Murdoch did contribute, but he was only one of many contributors. We did not run any advertisements; we reserved space and then cancelled due to lack of funds. There was another other group identified as Republicans for Orton but we were not connected and I have no idea of what they spent or on what.

91 JAN -3 PM 12:20
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

The records are kept at my home and are welcome to inspection according to legal requirements.

I know that it must be very difficult for people to imagine that so few dollars made such a difference, but it did. I assure you that I do not personally have the funds to have financed a large-scale campaign since I am a divorced mother of 10 children and am a BYU student employed only part-time. Our members were as grass-roots as they come and our group had mostly enthusiasm--not money. I believed in a cause and did what I could, and the results amazed me most of all.

Sincerely,

Jacqueline F. de Gaston, treasurer

505 E. 4750 North
Provo, Utah 84604

P.S. The following people were not members of my organization: Mr. Mickey Cochran, Matt Harmer, Vivian Harmer, Eric Schultzke. The only two correctly identified are Rose Higa and George Murdock

9760438300049

(who joined the group late). Mr. Cochran attended a cottage meeting held by George Murdock but was not a member. Matt Harmer is unknown to me but I assume he is John Harmer's son. Vivian Harmer was invited to a meeting but did not come. Eric Schultzke had nothing to do with our group.

P.S.S. HAVE A MERRY CHRISTMAS AND A HAPPY NEW YEAR.

9704383005 0

OGC 9206

December 17, 1990

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE SERVICES BRANCH

91 JAN -3 AM 10:36

Federal Election Commission
Washington, D.C. 20463
Atten: Retha Dixon

RE: MUR 3192

Dear FEC:

I would like to amend my complaint of November 29, 1990. My complaint should not have included the names of Mickey Cochran, Matt Harmer, or Vivian Harmer. The rest of the names and organizations are still apart of my complaint.

If you could contact these three individuals, and let the know that they are no longer involved in the complaint, I would appreciate it. Again, thanks for your help in being so prompt with my complaint.

This letter was mailed 26 December, 1990.

91 JAN -8 PM 12:20

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

Sheldon Bradshaw
735 N 400 E #22
Provo, UT 84604

(801) 375-7817

J. Allen Bradshaw
Notary Public
Residing - Philipsburg, MT 59858
Commission Expires - 7-28-93

9704383005 1

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 14, 1991

Sheldon Bradshaw
735 North 400 East Number 22
Provo, Utah 84604

RE: MUR 3192

Dear Mr. Bradshaw:

This is in reference to your letter dated December 17, 1990, requesting that Mickey Cochran, Matt Harmer and Vivian Harmer be excluded from the complaint you filed with the Federal Election Commission.

Under 2 U.S.C. § 437g, the Federal Election Commission is empowered to review a complaint properly filed with it and to take action which it deems appropriate under the Federal Election Campaign Act of 1971, as amended ("the Act"). A request for withdrawal of a complaint; in whole or in part, will not prevent the Commission from taking appropriate action under the Act. Your request will become part of the public record within 30 days after the entire file is closed.

If you have any further questions about this procedure, please contact Craig Douglas Reffner, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

9704383005 52

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 8, 1991

Ken Murdock
61 South 320 West
Orem, Utah 84058

RE: MUR 3192

Dear Mr. Murdock:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3192. Please refer to this number in all future correspondence.

The complaint was not sent to you earlier due to our attempts to locate you. Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

9704383005 3

If you have any questions, please contact Craig Douglas Reffner, the attorney assigned to this matter at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosures
1. Complaint
2. Procedures
3. Designation of Counsel Statement

9704383005 4



MUR 3192

Federal Election Commission
Washington D.C. 20463

January 9, 1991

91 JAN 15 PM 3:56

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

Attn: Lawrence M. Noble and Lois G. Lerner
RE: MUR 3192

Dear Commissioners:

Due to my absence from home during the holidays, I am answering this complaint rather late. I apologize and ask for your understanding. This complaint contains quite a few inaccuracies and sounds like someone wants revenge. I leave it to others named in the complaint to counter these false allegations, since I was only minimally involved. For my part, I must deny all allegations. I spent no money at all and did not belong to any political group.

My activities during the campaign consisted of the following:

1. Interviews with several newspaper and television reporters (at their request)
2. Participation in a press conference held at the State Capitol.
3. Attendance at two debates and one press conference by Mr. Snow.

My sole position was to inform the voters of my personal experience with Karl Snow and his relationship with Michael Strand, a several times convicted felon who has swindled many people in 17 states. I took no position at all regarding Mr. Snow's democratic opponent, Bill Orton, whom I do not know.

Sincerely,

Percy G. Kalt

Dr. Percy G. Kalt
Professor of Music, Emeritus

Percy G. Kalt

CARLA SACKETT
Notary Public
STATE OF UTAH
My Commission Expires
January 8, 1994
1900 N Canyon Rd. Provo, UT 84604

Carla Sackett 1-9-91

91 JAN 15 PM 12:44

FEDERAL ELECTION COMMISSION
MAIL ROOM

9704383005 5

OGC 9836

00C 9882

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

GEORGE T. MURDOCK
519 WEST 1200 SOUTH
OREM, UTAH 84058
(801) 225-6065
FAX (801) 225-2633

91 JAN 22 AM 10:46

January 14, 1991

Lawrence M. Noble
General Counsel
Federal Election Commission
Washington, D.C. 20463

RE: MUR 3192

91 JAN 22 PM 3:46

FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

Dear Mr. Noble,

Your letter advising me of the complaint in the above matter was received at my home in Utah on December 27, 1990. Unfortunately, I was on vacation in Hawaii until now and was unable to respond.

The entire complaint is ludicrous and fallacious. I will respond only to the paragraphs referring to me and point out the facts so you will be able to see that Sheldon Bradshaw is nothing more than a disgruntled campaigner for a sorely-defeated congressional candidate, Karl Snow.

But first, let me briefly explain my involvement in the election.

Only about 10 days before the election I decided to vote for Orton (though I have been a life-long Republican) and called his office to ask for a sign for my yard which is situated on a prominent location on a very busy street. Shortly thereafter I began getting calls and comments about my apparent "switch" to a Democratic candidate. Since I knew Bill Orton on a personal basis I felt it would help his "come-from-behind" effort if I held a "meet the candidate" meeting in my home. I invited about 50 close personal friends and associates, nearly all of whom are Republicans. The only literature handed out was Orton's own campaign fliers and a few Orton posters were made available. After the meeting I met a Mike Schnabel who had heard about the meeting and decided to come. He had only recently organized a group called "Republicans for Orton", one of many such groups which had spontaneously sprung up around the district. I also met Jackie de Gaston (sp?) who was helping with the group's efforts. No meetings were held by "Republicans for Orton" that I was aware of. I was invited to nothing by them. Our involvement consisted only of a few phone calls to each other and primarily was individual efforts, personal contacts and letters to friends.

The fact that Ken Murdock is my brother means nothing. We were

9704383005 6

in business together for nearly 20 years after which there was a somewhat hostile takeover, by him, of my share of the business in 1983. Our contact since has been very limited and somewhat strained. We did not work in concert and I only heard about his activities shortly before the election. My only copy of the Schultzke article came with my subscription to the Provo Daily Herald.

Paragraph 2: Bradshaw implies that groups did not work independently from each other. This is totally untrue. No combined efforts were made whatsoever! The "thousands of dollars" referred to certainly do not apply to "Republicans for Orton". Our group spent less than a thousand dollars, as our report indicates.

Paragraph 4: In my involvement with the campaign, I was not aware of any of the Schulzke articles being distributed by members of Orton's campaign staff. I was never in Orton's campaign office but I know, from talking with Mr. Orton, that he wanted nothing to do with the Schultzke articles and would not have allowed them in his headquarters.

Paragraph 6: In all my dealings with the Orton campaign staff, I never ran into Schultzke or heard his name or had any impression he was involved with their staff.

Paragraph 11: I know of no incident where the articles were distributed by the Orton campaign staff. Absolutely NO articles were distributed by any "Republicans for Orton"--and specifically NOT at the rally attended by Quayle which I attended.

Paragraph 13: Some of the "Republicans for Orton" group might have been previous Harmer supporters. So what? But they absolutely did NOT include Mickey Cockran, Matt Harmer, Vivian Harmer, or Eric Schulzke, as claimed. I'm not aware of Rose Higa's involvement since I did not even meet her until I attended Orton's victory party on election night. The extent of Bradshaw's ignorance about "Republicans for Orton" is evidenced by the fact that he didn't even know that Mike Schnabel was the President and organizer. The small handful of banners and stickers printed were distributed amongst our group and placed on banners we already had in our yards. NO trans&&portation was provided for anybody to the Snow rally Quayle attended. I was there but as soon as the rally ended Senator Hatch talked to me for two hours (trying to get my support for Snow) and, in fact, gave me a ride home afterward. I was aware of no protesting or literature being handed out! Absolutely NO advertisements of any kind were placed in any newspapers by "Republicans for Orton"! Bill Orton attended absolutley NO meetings of "Republicans for Orton"! I was not the "financier" of "Republicans for Orton" but did make one contribution, as did numerous others. There is absolutely NO evidence to substantiate we spent more than the reported amount--less than $1000.

9704383005 7

Paragraph 15: None of the groups acted "in concert" nor were they in "frequent contact with each other and Mr. Orton". Neither the newspaper editor or anyone else ever advised us that there was any requirement to file with the FEC.

It is obvious to me that the entire complaint is both hearsay AND "heresy" as Bradshaw so aptly put it at the end of his complaint.

Sincerely,

George Murdock

cc: Mike Schnabel, President "Republicans for Orton"
6619 S. Dixie Dr. West Jordan, UT 84084

9704383005 8

FEDERAL ELECTION COMMISSION
MAIL ROOM
91 JAN 22 AM 9:46

OGC 9888

MUR 3192

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
91 JAN 22 PM 3:47

9704383059

Federal Election Commission
Mr. Craig Douglas Reffner
MUR 3192

January 10th, 1991

Dear Mr. Reffner,

My involvement in the past election was highly debilitating to my business and I am anxious to resume my efforts at selling groceries. This compliant was filed by a political science student who worked for the Snow campaign and is apparently now writing a paper about his experience. I view his complaint as source material for his school work.

In his complaint, Mr. Bradshaw has tried a shotgun approach in an attempt to hit something, or anything. The problem I am faced with, is that the complaint is incoherent with inaccuracies.

What I will do is give you a chronological account of my involvement and the others with which I was associated. Then I will address each of Mr. Bradshaw's paragraphs individually to answer specifically his charges. I will take the liberty of labeling the paragraphs in his complaint for reference.

But first let me point out several blatant inaccuracies to illustrate Mr. Bradshaw's lack of even the simplest research and his inattention to facts.

Mr. Bradshaw states that Karl Snow was not allowed to reply to the articles in the Student Review. This is simply not true. I have included a copy of Mr. Snow's reply as published in the Student Review. (Exhibit A)

Mr. Bradshaw states that the Student Review articles were not identified as editorials or commentary. This accusation is another example of poor research even on the most basic level. I have included copies of the Student Review articles (Exhibits B,C,D) which show that they were clearly identified as editorials or commentary. <u>If Mr. Bradshaw can't be trusted to check out the most concrete sources of his complaint, how can he be trusted when his accusations are based on innuendo and "it was reported"?</u>

Mr. Bradshaw states that the inserts printed by Utahns for Ethical Government were available at the Orton campaign headquarters and were distributed by Orton campaign workers and Republicans for Orton at a rally. This is again, simply not true. Utahns for Ethical Government very closely controlled where and how our inserts were distributed. I would be

interested to know how the Orton campaign could obtain any inserts, because the inserts were closely controlled by U.E.G. As to the rally, the only thing I can say is that I was there, I was acquainted with the people handing out inserts because U.E.G. had invited them, and no Orton campaign workers or Republicans for Orton were involved.

Mr. Bradshaw implies that Eric Schulzke was a member of Republicans for Orton. While it is not my business to defend Eric, I must say that this type of irresponsible McCarthyism is shocking in its blatant lack of respect for facts. Mr. Schulzke will refute this allegation himself.

A Chronology of Utahns for Ethical Government

I became involved with the campaign after reading an article published on October 3, 1990 by the Student Review and written by Eric Schulzke. I was struck by the significant involvement of candidate Karl Snow with a Penny Stock scam. What really set me off was that this same Karl Snow had successfully defamed his opponent in the Primary election for essentially the same things he was doing himself. My sense of fair play aroused, I contacted Mr. Snow's opponent, Bill Orton. I urged him to expose the less than savory aspects of Mr. Snow. He not only declined to become involved with this issue, he stressed that he would not be associated with any campaigning of this sort and that he would fire anyone from his campaign staff that was in anyway involved with this issue.

Parenthetically, let me set out my past relationship with Bill Orton. It has been the fond hope of the Snow campaign that Bill Orton and I are close personal friends and confidants. The fact is that I first met Mr. Orton at a church I began attending after a divorce in 1982. Mr. Orton was one of the councilors to the Bishop of that church. I was acquainted with him and we were friends during the period that I attended that church. In 1985 I remarried and began attending another church. In the intervening five years I have never had the occasion to talk with Mr. Orton either in person or on the phone until he approached me at the beginning of his campaign for a contribution. Being a Republican, I turned him down. The next time I spoke to Mr. Orton was when I urged him to expose Karl Snow months later.

After my interview with Mr. Orton I was still not satisfied and thought that something should be done. I called Eric Schulzke, the writer of the article in The Student Review, and asked him if he would like to have his work published in a broader format. Eric said, "Yes." and that there was another article coming out that day. I was preparing to leave town the next day so I told him I would call on the following Monday, October 15, to set up an appointment.

So, just three weeks before the election Eric and I met to see what we could do. Our plan from that meeting was to place an

9704380060

ad in the local paper reprinting his article. Ken Murdock joined Eric and myself during this week. He is a neighbor of Percy Kalt, who was a victim of the Penny Stock scam that Karl Snow was involved in.

By this time Eric had published his third article. Because of his research we could quickly get a hold of the principals involved with the stock scam. It was decided to hold a press conference to let the other side of the story be told and at the same time print and distribute a flyer.

Peggy Fugal Advertizing became involved just as we were preparing to go to this press conference. Peggy Fugal Advertizing was retained by Mr. Snow as his publicity agent for his unsuccessful campaign for Governor of Utah. Mr. Snow refused to acknowledge a bill from Ms. Fugal's agency, while at the same time recording a thousand dollar discount of the bill as a campaign donation. Our organization retained the services of Peggy Fugal Advertizing to help with our emerging media campaign.

Within just a few days, Eric and myself had grown into Utahns for Ethical Government. We found we had the support to continue to raise questions about Mr. Snow's ethics. We printed flyers and distributed them in our district, we placed two display ads in a local paper, and ran radio spots for two days. All of these expenditures are listed in our report to the Clerk of the House and to the FEC.

The day after the election, Brooke Adams, the local reporter for The Deseret News, called to ask me if we had filed with the FEC. I told her that we had checked with the Utah State Lt. Governors office and they indicated that we were not required to file. Brooke convinced me to check with the FEC and after a lengthy phone conversation to Washington, I determined that we would file even if we weren't required to. Rather than wait for the forms to arrive by mail, I had the FEC fax the forms to me so that I could get a quick start. At this time we have completed our filing and we have closed our political activity.

A Review of Mr. Bradshaw's Complaint

Now is a good time to review Mr. Bradshaw's complaint by the numbers I have assigned to each paragraph.

1. No response needed.
2. No response needed.
3. No response needed.
4. Mr. Bradshaw alleges slander of Mr. Snow. I will say again that it is not my position to defend the Student Review. But, even though I am not an attorney, I understand that in order for the articles to be slanderous they must be untrue and the author aware that they are untrue. (I have enclosed a copy of all three articles under Exhibit B,C,D.) Mr. Schulzke is not a cousin of John Harmer. He is related on his mothers side twice

9704383006 1

removed. The Student Review did publish in a timely manner an unedited response from Mr. Snow. (copy enclosed as Exhibit A.)

5. The articles in the Student Review were clearly labeled as analysis or commentary. (see Exhibit B,C,D) If copies of these articles were distributed by the Orton campaign, I was not aware of it. Neither was I aware of what was in the Orton campaign office. Members of some labor unions passed out copies that Utahns for Ethical Government paid for. (see election filing of $100 to Student Review) The Student Review was forced to pull the issues of its paper off their newsstands at night to avoid them being stolen during the campaign. Sometimes guards were placed to protect them.

6. Mr. Schulzke has accepted a position as press secretary for Senator John Doolittle, a Republican from California. He will be residing in Washington D.C. in January.

7. Mr. Schulzke informs me that he had no connection with the Orton campaign. He suggested that he would visit with you in person about this allegation.

8. Scott Norton is not a long time friend of Mr. Orton. He was perhaps, a friend a long time ago. I am inclosing a copy of the article Mr. Bradshaw refers to in this paragraph. (Exhibit E.) Mr. Bradshaw lists Percy Kalt, John Darger, and Herb Gleason as members of U.E.G. The participation of these three men was limited to a Press conference, at which they stated what they knew of Karl Snow's activity in a certain Penny Stock scheme. In the last five days of the election several Republican leaders met with U.E.G. in an attempt to reform and repair, if not replace its candidate. Mr. Cockran was one of these. Apparently, Mr. Bradshaw considers anyone speaking out against Karl Snow's less than savory activities to be a card carrying member of U.E.G.

9. Please refer to our filing statement to identify who and how our activities were financed.

10. Utahns for Ethical Government paid for radio spots on KSL radio on November 4th and 5th. The record can be found in our FEC filing.

11. The response in paragraph nine covers these allegations.

12. Utahns for Ethical Government did not supply the Orton campaign with any materials and I am not aware of U.E.G. inserts available at the Orton Campaign office. I can say that no Orton personnel or people connected with the Orton campaign ever contributed to or helped in any way to distribute the insert we published. As I have stated earlier, I was at the rally attended by Mr. Quayle and I in fact help organize the demonstration. The inserts that were distributed at the rally were handed out by U.E.G. people. There is no basis for this accusation.

13. Utahns for Ethical Government paid for two display ads in the Daily Herald. Peggy Fugal Advertising paid for a third ad which addressed the specific complaints that she had with Karl Snow. This was a personal action on her part. I have referred this allegation to her.

14. Utahns for Ethical Government had no contact with Republicans for Orton. It should be mentioned that there were several groups formed with this name around the district. But I don't even have enough information to comment on their

9704383006 2

organization or activities. Mr. Bradshaw names Eric Schulzke as a participant of Republicans for Orton and suggests that he attended the meetings. This is insupportable. Mr. Schulzke informs me that he never attended any meeting with any group calling itself Republicans for Orton. (and there were many) Further, he never advised, collaborated, or in any way interacted with them.

15. I have referred this accusation to Ms. Fugal. She suggests that she will address this paragraph herself.

16. Please be advised that Utahns for Ethical Government for which I was the spokesman did hire the services of Peggy Fugal Advertising. Eric Schulzke and Ken Murdock were associated with the group. However, none of these participants in any way acted in concert, frequently or otherwise with any of the groups called Republicans for Orton, or with the Orton campaign. Our only failing is that we were unaware of the Federal filing requirements. But as soon as we were advised of our responsibility, we acted in the most timely way possible to comply. The big problem we had in filing with the FEC is finding a precedent. Because our activities lacked a precedent, we could find no one who could say <u>what</u> or if we were required to file.

17. May I simply say that Mr. Bradshaw's information is really guestimations and hearsay mingled with hope. Mainly hope that he will get something juicy out of this for his political science report.

If you require further information to resolve this review, please feel free to call me at 801 376-7983. I will do my best to help.

Scott Norton

Utahns for Ethical Government
Spokesman

9704383006 3

November 9, 1990

United States Federal Elections Commission
999 E Street, NW
Washington, D. C. 20463

MUR 3792

90 NOV 29 AM 12: 12

Dear Commissioners:

(1) This letter will serve as an official complaint relative to election law violations in the race for United States Congress in Utah's Third Congressional District.

(2) At least four groups, or individuals acting "independently," have expended thousand dollars in attacking Mr. Karl Snow, the Republican Candidate for Congress, and in turn supporting Mr. Bill Orton, the Democrat candidate. Your Public Records Office has confirmed that none of these individuals, or organizations, has registered with the Federal Elections Commission.

(3) The following summary will serve as an outline for our complaint and request that the Commission conduct and inquiry into these matters at the earliest possible date:

THE STUDENT REVIEW

(4) This "off campus," and unofficial student newspaper printed by a few students attending Brigham Young University ran a series of articles attacking and slandering Mr. Snow's honesty, character, and declaring that Mr. Snow was guilty of stock fraud. These so-called articles were "political attacks" written by a cousin of Mr. Snow's Republican primary opponent. They were written over a period of three weeks with malice of intent to do harm to Mr. Snow's candidacy. The Snow campaign's efforts to offer response or to share with the students two widely published independent probes of these allegations were ignored. Only at the conclusion of the series did the paper ask Mr. Snow to make a response, which was never published.

(5) These "articles" were <u>not</u> identified as editorials or editorial comments. Nor do we believe they can be justified as "news stories." They were written with intent to slander and campaign against the Republican victor of the primary contest. They did, in deed, serve as campaign literature for the Democratic opponent, Hundreds of copies of these articles were distributed beyond the confines of the student housing areas, on the campus of Brigham Young University (where they are "prohibited'), and by staff members of the Orton Campaign as campaign literature.

9704383006 4

Positive evidence exists that these articles were visibly displayed at the Orton campaign office.

(6) The author and editor of this paper is a young man by the name of Eric Schulzke who lives in Provo, Utah and attends Brigham Young University.

UTAHAN'S FOR ETHICAL GOVERNMENT

(7) This group was organized with the express intent to "expose" Mr. Snow and provide "new evidence" relative to the same charges made by the student newspaper. There is sufficient evidence that this group acted in concert with Mr. Eric Schulzke, who in turn was working with the Orton campaign staff.

(8) Utahan's for Ethical Government was headed by a man by the name of Scott Norton, Provo, Utah, a long time friend of Mr. Orton, the Democrat candidate. There are news stories indicating that Mr. Norton approached Mr. Orton asking how he might help distribute the Schulzke stores, but Orton claims he had no knowledge of the formation of the group. Additional members, according to newspaper accounts included a Mr. Percy Kalt of Provo, Utah, Mr. John Darger of Riverton, Utah, and Mr. Herb Gleason of Florida who was flown in for a new conference, Mr. Mickey Cockran, who was Mr. Harmer's primary campaign manager. The group has repeatedly denied that they have taken any actions that would require federal election filing because members were not endorsing a candidate, but opposing Mr. Snow.

(9) A Mr. Kenneth Murdock has been identified as the financier of the groups activities which included the following:

(10) 1. Two score or more radio spots throughout the district attacking Mr. Snow.

(11) 2. Publication and distribution of a special "tabloid" taken from articles written by Eric Schuzke and originally published in the Student Review. This tabloid appeared as an insert to the Provo Daily Herald, and at least 12 weekly newspapers. We have been told by the editor of the Provo Daily Herald that the printing of the tabloid was paid for my Mr. Kenneth Murdock. Two rural editors have verified that Mr. Murdock paid for the inserts.

(12) 3. These same inserts were available at the Orton H.Q. and were distributed by Orton campaign workers and Republicans for Orton at a rally attended by Vice President Quayle on November 2, 1990. (A possible violation of 11 CFR # 109.1 (c)).

(13) 4. At least three full page advertisments in the Provo Daily Herald, attacking Mr. Snow.

9704438300065

REPUBLICANS FOR ORTON

(14) This group consisted of former Harmer supporters and included his former campaign manager, Mr. Mickey Cockran, Matt Harmer, Vivian Harmer, Eric Schulzke, and Mr. George Murdock (brother to the above mentioned Kenneth Murdock), and several others including a Rose Higa who acted as secretary. The group caused to be printed hundreds of banners and stickers reading "Republicans For" which were placed on existing Orton for Congress signs which had been paid for by the Orton campaign. Leaders of the group organized transportation for high school students to protest at a Snow rally. Advertizement were also carried by the daily newspapers. There is positive proof that Mr. Bill Orton attended meetings with this group. Mr. George Murdock has been identified as the financier of the groups efforts. The group claims it has not spent more than a thousand dollars, but the evidence would suggest otherwise.

MISS PEGGY FUGAL

(15) Acting on her own, Miss Fugal has paid for two separate full page advertisements attacking Mr. Snow. She may also have participated in ads placed by Utahan's for Ethical Government. Fugal's expenditures for her ads alone exceed the amount allowed for an individual contribution. Miss Fugal has told friends that she did not need to register because she was only opposing Mr. Snow, not supporting Orton.

(16) I have reason to believe that the above groups and individuals were acting in concert and had frequent contact with each other, and Mr. Orton, and that they had been fully advised of the necessity to file with the commission by the editor of the local paper. I respectfully request an immediate and official investigation of the above allegations.

(17) I believe that I have sufficient information to warrant an investigation and that the foregoing is not simply heresy.

Singed and sworn to this the 20 day of November, 1990, Provo, Utah.

Sheldon Bradshaw
735 N. 400 East # 22
Provo, Utah 84604
375-7817

Notary Public
my commission expires 1/25/92

27U4383006

9704383006 7

Oct 23, 1990

EXHIBIT A

STUDENT REVIEW

YEAR 5 · ISSUE 7

Student Review is an independent student publication serving Brigham Young University's campus community.

Student volunteers from all disciplines edit and manage Student Review. *However, opinions expressed are those of individual authors and do not necessarily reflect the views of the SR staff, BYU, UVCC, or the Church of Jesus Christ of Latter-day Saints.*

Sudent Review *is published weekly during the fall and winter semesters and monthly during the spring and summer terms by the Student Review Foundation, a non-profit corporation. SRF operates under the direction of the Foundation for Student Thought, also a non-profit corporation.*

A year's subscription costs $10.

Student Review
P.O. Box 7092
Provo, UT 84602
(801) 377-2980

Publisher
Eric Schulzke

Associate Publisher
Allison Allgaier

Editor
John Armstrong

Managing Editor
Julie Curtis

Assistant Managing Editors
Jane England, Grant Madsen

Opinion Editor
Larry Meyers

Focus Editor
Joanna Brooks

Campus Life Editor
Michelle Moore

Arts & Liesure Editor
Sharon McGovern

Karl Snow's Response to the *Student Review*

Editor's note: Last week we invited Karl Snow to respond to the series of Eric Schulzke's articles about Mr. Snow's financial dealings with Mike Strand. Mr. Snow's response appears here in its unedited entirety.

After three weeks of condemning headlines and slanderous articles, the *Student Review* has, in after-the-fact fashion journalistic integrity, extended me the "opportunity" to respond to their many charges claiming that I have a sorted past, along with unreported tax liabilities.

In short these articles are not only carelessly written, but are reckless with total disregard for any standard of good journalism. Both the articles and the headlines were intended to do me harm and were, in my opinion, written with malice of forethought. These articles are not new stories, but vendettas.

It should be noted that the author, Erick Schultzke, is a cousin of my primary opponent, John Harmer. Mr. Schultzke's father is also the attorney who conducted private investigations of my private life prior to the September election and delivered various questionable documents to the Utah media who refused to report on the same.

Desperate, Erick Schultzke has taken advantage of his position with the Student *Review*, and after writing the articles has sought to obtain the widest circulation possible, and assisting others in reprinting the stories to be run as advertisements in Utah's daily newspapers.

As for the conclusions reached by the Mr. Schultzke, they are, in no way, supported by his own facts. His sources ar[illegible] lacking credibility, and he has failed to verify his facts or see[illegible] response from me or anyone from my staff. Had he done so, h[illegible] could have reached far different conclusions.

Further, the *Student Review* was advised of other documentation that would present contrary information, and that an independent certified public accountant and attorney were endeavoring to verify certain information. No effort was made to examine other documentation, or to contact independent sources reviewing the matter.

Before the primary election a group of four independent attorneys conducted an in depth review of the finances of both myself and my primary opponent. Accordingly, I made available all of my tax returns, credit reports, and all other documentation as requested. I was cleared of any financial improprieties or misconduct. The report noted that I had no outstanding obligations or legal actions pending against me, no tax liabilities, and had maintained a solid credit rating.

As detractors continued their charges against me in this final election, Mr. Schultzke, and others who could not accept th[illegible] defeat of their "chosen leader," decided to go on the attack once again. Accordingly, I requested a second audit to determine there may be some tax liability as was claimed.

This second audit, conducted by a Certified Public Accountant and a Tax Attorney, has now cleared me of any tax liability,

see *Snow Responds* on page 11

Note from the Design Director:

Response to Merrill Teemant's "Girls in the Guys Locker Room"

EXHIBIT B

In September, he ran on "integrity." By November, he may be running on empty.

The Questionable Karl Snow

ANALYSIS

by Eric Schulzke

A BYU administrator and congressional candidate has had close ties to a convicted felon. His denials in the face of substantial evidence raise serious questions.

Records have come to light in recent weeks indicating that BYU Administrator and Congressional Candidate Karl Snow appears to have misrepresented his connections to convicted felon Michael Strand, Global Oil, Unique Battery, and a penny stock deal that probably cost one life and seriously disrupted the lives of others.

At present, there are more questions than answers. But the gravity of the questions combined with the lack of answers should concern every voter in the 3rd Congressional District.

This writer initially came across the documents as a volunteer for Snow's opponent in the primary. The allegations and the documents themselves were brought to light by various individuals who had been involved with the stock transactions outlined below.

The Players

The main figure in this confusing narrative is Michael Strand, a stock manipulator twice convicted for securities fraud and most recently released from custody only a few weeks ago. Strand's *modus operandi* is to consume companies from the sidelines. Global Oil is no exception. In Global, Strand's wife, Lois, was the largest shareholder while Strand himself controlled the company. (The funds, by the way, donated about $7,000 to Snow's 1984 campaign for governor.)

Unique Battery was a legitimate company with which our second figure, John Darger, became involved. Darger was directed to Strand by a bank officer when the company needed research capital. Strand became deeply involved with Unique, eventually attempting to merge it with his own Global Oil in 1985. Such mergers are a common stock manipulation technique. The merger fell through, and lawsuits and countersuits are still pending between the principals in the two companies.

The story is confusing, and it will probably take months for the media and the public to sort it out. However, the reader who keeps three things in mind will grasp the most significant points: (1) Mike Strand has been twice convicted of securities fraud—once before these events and once after. He was still on parole for his first conviction when these events took place. (2) Karl Snow has categorically denied any connection to Strand's businesses. (3) These events seriously disrupted the lives of many people.

Snow has emphatically denied involvement with Strand's companies, ever being an officer or a director in Global Oil, or even owning stock. Only recently has he admitted to owning a small amount of stock, but it seems even these admissions are inadequate.

In the August 20 *Deseret News*, Snow makes one of several emphatic denials: "I never attended any board meeting of Global Oil. I never accepted any stock in that company, although it was offered. I haven't seen Michael Strand in four years and have had nothing to do with his companies." A more complex picture has begun to emerge, however.

Deep and Broad Connections

• Darger's sworn affadavit in court files indicates that he was president of Unique Battery when he was introduced to Michael Strand as a man who could supply research capital. Darger has since said that Strand, in turn, introduced him to Snow. Strand described Snow to him as a person of "influence" who could get things done. Darger says that it was at Strand's urging that Snow was made a director of Unique and later of Global Oil.

• Stock reports and interrogatories indicate that only a few people received free stock in Unique Battery. At least two, a banker and a legislator, may have received stock for lending credibility, or, as an Atlas interrogatory puts it, "for separate and additional consideration other than the reorganization of Unique Battery." The banker, Lyman Smart, apparently committed suicide several months after the merger fell through. The legislator was Karl Snow.

• There is good reason to believe that Snow was instrumental in securing Strand's parole from prison after his first conviction. Keep in mind that Strand was still on parole for a fraud conviction when these events took place.

• Darger said he has been present many times with Strand and Snow together in meetings. Snow, Darger says, generally treated Strand deferentially during these meetings.

• Atlas Stock Transfer reports show Snow holding stock in '85, '86, and '87. One report shows six different stock transactions involving Snow over an eighteen month period. The reports show additional stock issued to Snow's mother, Wanda, and to his son, Rodney. Snow initially denied owning any stock, but he since admitted to buying about 11,000 shares. The Atlas report shows Snow with 117,500 shares in his name and and an additional 5,666 for his mother and his son. Snow suggests that the stock was held without his knowledge. This is conceivable but highly unlikely, especially since the SEC requires frequent reporting of stock transactions *and each report lists Snow's current Provo address.*

• As late as 1988—after Strand's second securities fraud conviction—records show that Snow's 100,000 shares of Global Oil stock were transferred to M & L Investments, another Strand company. M & L likely stands for Michael and Lois, as in Michael and Lois Strand.

Obfuscations and Deflections

• Snow claims that he was never an officer, a director, or a shareholder in these companies. However, court documents and company minutes list him as a vice president, a director, and a shareholder in Global Oil and / or Unique Battery. Snow says, accurately, that he was never registered as a director or an officer with the state. But in fact, the corporation was suspended for failing to register its officers over a lengthy period—precisely the period during which Snow apparently was an officer. The corporation filed with the state in January of 1985, and Snow was elected an officer on February 25 of that year. Finally, in mid-1986, the corporation was suspended for failure to file a report. The fact that Snow is not listed with the state in itself raises questions of impropriety. In any case, he could still have functioned as an officer during that period.

• Snow says that he has never manipulated penny stock and wouldn't even know how to do it. But that is beside the point. At the moment, the question concerns his close association with Strand and the possibility that Snow may have lent his credibility to the arrangements.

• Snow pointed out to us that some of the documents spell his name with a "C" rather than a "K." In fact, the Secretary-Treasurer, Ronald Sorth, did spell Snow's name with a "C" when he (Sorth) resigned from the company. In his resignation letter, Sorth notes that he sent a copy to "Carl Snow, V.P." Sorth was likely responsible for the company's minutes, and the misspelling in his letter would thus be consistent. However, Snow's name is spelled correctly in the stock reports and numerous other documents.

• Snow claims that his signature has been forged on these documents. Of the two signed documents in this writer's possession, one is probably not in Snow's hand, while the other almost certainly is. The "forged" signature may have been signed with Snow's approval, however, since his signature was not needed and there was no motive to forge it. Snow's actual signature appears on an agreement for the planned merger of Unique and Global.

• Snow points out that he was not named in a suit involving Global and Unique. But also missing from the list was Lois Strand, the largest shareholder. Obviously, being excluded from that list says nothing about the extent of a person's involvement with Strand.

• When asked about the documents showing Snow's involvement, Strand has claimed that Darger frequently forged prominent names. But this answer is untenable given that one of the documents, showing Karl Snow sandwiched between the now deceased Lyman Smart and Lois Strand, was an interrogatory prepared by Strand and his secretary—not by John Darger.

• Snow has carefully spoken in terms of physical presence: "I have not *seen* Strand for over four years." "I did not *attend* board meetings," etc. Darger confirms that, indeed, Snow was sometimes *not* present at the meetings. But Darger says Strand usually had Snow on the telephone during such occasions, relating the proceedings to him as the meeting progressed.

Observations

1) *It's difficult to avoid concluding that Karl Snow has misrepresented the facts.* The only other explanation would be that he is exceedingly inept, but even this requires more faith and charity than the situation allows. Even if he had done nothing *illegal*, such apparent misrepresentations on the part of a public figure would be cause for concern.

2) *The array of documents is impressive.* When we asked Snow about the documents, he said that they were "frau'ulent." But most of them are in court files, and they stem from a variety of sources: interrogatories prepared by Strand, resignations of officers, sworn affadavits, stock transfer reports, etc. It is highly unlikely that they are phony. Mark Hoffman himself would have had a hard time fabricating this one.

3) *In light of the documentary evidence, Strand's and Snow's denials are simply not credible.* On the other hand, Darger's statements are plausible and consistent with the evidence already in court files.

4) *Public figures rarely risk such misstatements unless the stakes are high.* If Snow does not promptly offer explanations, people may suspect that he is hiding something for a reason.

5) *It is in everyone's interest to investigate this matter thoroughly.* Utah is already known as the fraud capitol of America. Given that reputation, any degree of involvement in such matters on the part of public figures cannot be taken lightly.

6) *Utah's media are either lazy or understaffed.* Many newspapers and television stations have had these very documents for months. Yet most have failed to make the most elementary deductions.

7) *Only the full truth will do.* The Strand connection is not a petty matter because Michael Strand is not a petty thief. Aware that articles including this one were in the works, Snow finally asked a CPA and a lawyer to look into the matter last week. These investigators should take care lest they find themselves defending the indefensible.

8) *Karl Snow is asking the voters to trust him.* He may be asking too much. Δ

Campus Venture

PRESENTS

The Lion's Den will be viewing six video presentations by popular campus speaker Josh McDowell. There will be discussion after the presentation.

TIME: Friday, 8:00
PLACE: Wilkinson Center, Room #394

October
Josh McDowell set out on an intellectual adventure determined to prove that christianity was a hoax. After 2 years of intensive study he emerged a man deeply commited to Christ, a man able to give solid evidence of his faith, and a man ready to share those answers with others.
12- A Skeptic's Quest
It's okay to have doubts, to have questions reguarding your faith. Josh shares how questioning actually strengthened his faith and brought him to a deeper knowledge and understanding of the scriptures.
19- Misconseptions of Christianity, Part I
26- Misconceptions of Christianity, Part II

November
The Uniqueness of the Bible
The Reliability of Scripture
Messianic Prophecy

CAMPUS VENTURE IS AN INDENOMINATIONAL CHRISTIAN GROUP

EXHIBIT C

Mike Strand lacked credibil[redacted] Snow had it. Strand borrowed[redacted] Investors got burned.

Snow & The Penny Stock Tag Team

[redacted]

BYU MUSIC PROFESSOR PERCY KALT called Karl Snow in March of 1985 because Snow was a pillar of the community. If Snow said Mike Strand was OK, then Kalt would buy Strand's stock. Snow praised the stock, and Kalt invested—eventually loosing everything. This surprised Kalt, but it didn't surprise those who really knew Strand. You see, at the time that Snow encouraged Kalt to invest, Strand had only recently been released from prison and was still on probation for a felony. You guessed it—stock fraud.

It's situations like this that earn Utah the title of "America's Fraud Capitol." Operators use Bishops, Stake Presidents and other community leaders to lend credibility to reckless speculation and stock manipulation. And the trusting Mormon with an ingrained "Mormon Authority Reflex" is a sitting duck.

Mike Strand is a master of such deals. One law enforcement source calls Strand "the most despicable man I have ever met. You've heard that there is honor among thieves, but that does not apply to Mike Strand."

Last week we revealed evidence of BYU Administrator and Congressional Candidate Karl Snow's business relationship with Mike Strand. It was noted that this writer initially came across the documents as a volunteer for Snow's opponent in the primary. Snow, we said, discounts the documents as forgeries. But we pointed out that the documents stem from various sources and are almost certainly genuine. Now Snow faces statements from others who witnessed his involvement.

On Monday Snow Spokesman Clark Caras told us that Snow had never denied having any connections with Stand. But in fact, he has come very close. In the August 20 *Deseret News*, Snow said: "I never attended any board meeting of Global Oil. I never accepted any stock in that company, although it was offered. I haven't seen Michael Strand in four years *and have had nothing to do with his companies* (emphasis added)." Snow has made similar denials on many occasions.

Witnesses, along with the documentary evidence (*SR*, Oct. 3 1990), have now made Snow's denials untenable. And the fact that Snow has been less than honest is *in itself* now the issue that must concern the public.

John Darger

Strand Pulls Strings — John Darger of Riverton, Utah says he attended many meetings with Snow and Strand. Strand's interactions with Snow were frequent, Darger says. One scene in particular is vivid in his memory—both because it was so striking and because it occurred more than once. Strand would insist that Snow do something, and Snow would decline. "You are f—ing going!" to do it, Strand would bellow, pounding his fist on the table. Invariably, Snow would give in. "What Strand would say, Karl would do," Darger says.

Darger says, "when Strand first got involved, he told us that he had political connections who had pulled strings to get him out [of prison]." Strand also told Darger they needed someone with "influence" who could get things done. Darger says Strand told him, "I want Senator Snow to be involved." So he invited Snow down one day, and that was the first time I met him."

Darger sat in on various phone conversations between Strand and Snow. Some of these concerned stock prices. Darger says he remembers clearly that one "concerned the price of stock, that the stock needed some support in the market. I remember Strand telling him he was sure he'd make money."

Herbert Gleason

An Illusion of Legitimacy—"Oh yes," says Herb Gleason an investor who now lives in Lakeland, Florida, "It was clear Karl Snow was deeply involved from the beginning. We met Snow, Lyman Smart, and others—we met them all." (Lyman Smart, a bank officer, died under mysterious circumstances months after these events took place.)

In the Spring of 1985, Gleason attended several of Strand's meetings in which Karl Snow participated. Gleason says Snow frequently went in and out of an adjacent office to make phone calls. "Snow's name wasn't on the door, but we knew that it was his space. Snow was high and mighty. We felt we were not as important," says Gleason.

Gleason invested heavily, ultimately losing around $118,000. He also got friends including Percy Kalt to invest. The credibility borrowed from Snow and Smart was critical for all the investors, Gleason says: "Without their involvement, we never would have gotten involved. Their credibility swept us along."

Strand knew he lacked credibility, Gleason says. "Strand was a blasphemer, and he didn't have credibility. But he would tell us that he had all these prominent guys 'in his pocket.' They were there to establish his credibility."

Strand's antics at the meetings he and Snow both attended are nearly comic: "He [Strand] put people down. They would all defer to him. He would march around the room, scribbling figures on the board, swearing, gesticulating." Strand would sometimes even stand on his chair to emphasize a point.

> *"Strand was a blasphemer, and he didn't have credibility. But he would tell us that he had all these prominent guys in his pocket."*
> *— Herb Gleason*

Percy Kalt

The Perfect Target—"I never would have trusted Strand," says Percy Kalt of Provo. "To see him is not to trust him. But he told me about Karl Snow, Lyman Smart, and others." Kalt went to Snow for advice: "When I asked Snow about the company, he told me he was a major stock holder and a member of the board, and he said it was a good investment."

Kalt is a musician, a novice in the world of stocks, and the perfect target for this kind of scam. Kalt was initially contacted about this investment by Herb Gleason. At the time, Kalt had children on LDS missions and was struggling financially, so he considered the investment seriously—even though he would have to borrow the money.

Kalt recalls, "I went to the Boston Building in Salt Lake to visit Mike Strand, who told me that if I paid $25,000 for 7,000 shares, I could sell them in less that thirty days for three times their present value." Strand told Kalt that if he had any questions to talk to Karl Snow."

Snow Says Go — "I told Mr. Snow that I had been referred to him by Mike Strand on an investment proposal, and I understood that he could shed some more light on this. Snow said that, yes, he was a major stock holder. I told Mr. Snow that I would have to borrow the money, that this came at a difficult time when I had kids on missions and in college, and I didn't want to do anything that would put my meager finances in jeopardy. He assured me that this was a good thing. He also told me that he was a member of the board.

> *"'I have six Jaguars,' Strand would say as he lit a new cigarette from an old one, 'your $23,000 means nothing to me.'"*
> *— Percy Kalt*

"I also asked Mr. Snow about what Mr. Strand had said about his release from prison—that it had been facilitated by Snow and that Snow felt that the IRS had put him in there unjustly. Snow confirmed this and said that Strand's conviction was a 'travesty.'" Snow told Kalt that Strand's conviction was an IRS problem, but Strand had actually been convicted for securities fraud and was still on probation.

"I came away with the definite feeling that I should do it, since he said he was a major stock holder. He said he had bought some stock and that he had received some for services he had performed. He mentioned a figure of around 100,000 shares. I remember feeling that this was certainly a lot of stock, compared to my 7,000 shares, and that's why I remember the numbers distinctly." Based on Snow's assurances, Kalt invested. Mrs. Kalt also recalls her strong objections to the plan, noting that her husband repeatedly tried to reassure her by referring to those—including Snow—who were involved.

Anatomy of a Scam — Kalt wrote out a check on April 26, 1985. After an initial gain, Kalt's stock began a steady decline. All the while, Strand assured Kalt that it would turn around. Finally, when his stock was next to worthless, Kalt approached Strand again. This time, Strand offered to transfer his stock to another company, Atlantic Mining Inc. Kalt agreed, and then watched *this* stock collapse. Meanwhile, the stock he had just traded to Strand mysteriously began to rise. (This should give the novice a sense for how a stock fraud scheme works.)

Now when Kalt talked with Strand he was treated disdainfully. "I have six Jaguars," Strand would say as he lit a new cigarette from an old one, "your $23,000 means nothing to me." This was the man with whom Kalt invested based on Snow's character reference.

Kalt now asked Snow for an explanation, but Snow immediately distanced himself from the affair. "Don't get me involved with this. I have nothing to do with it," Snow said. Kalt's investment was a total loss: $23,000 plus interest on the loan.

Financially ruined, at his wits end, and stifled in his attempts to seek justice, Kalt took matters into his own hands. He attempted to bomb Strand's house. The events which followed can, in light of the above, be viewed with a significant degree of sympathy. Kalt, who had been a respected professor at BYU, now found himself in legal difficulty, out of work, and struggling to put bread on the table. Today, he lives in the basement of his own home, the main part of which he rents out to help cover his debts.

Your Old Friend Karl — In August of this year, Kalt returned from vacation and found a message from one of Snow's aides on his answering machine. "We know you've been leaking information about Snow's relationship with Strand to the media," the voice said, "and we wondered why you would do such a thing." Kalt called Snow to tell him that he had been on vacation and knew nothing. "I'm glad to hear that," Snow replied.

This was not the only attempt to intimidate Kalt. On September 27, after reading a draft this writer's first article, Karl Snow again called his old friend Percy Kalt. Kalt describes the call: "This call lasted over an hour. He tried to justify himself to me, and tried to plant thoughts in my mind as to what I should remember about the affair." Snow said he had not told Kalt of having 100,000 shares of Global stock, but that it was actually 100,000 shares of another Strand outfit.

Kalt says Snow "also denied having been an officer in the company and denied having helped Mike Strand out of prison. Twenty minutes later, we broached the subject again, and I said, 'Mike Strand gave me your name and said that you had helped him get out of prison when the IRS had put him there.' Snow said 'Yes, that's true.'" Charitably, Kalt did not point out the contradiction.

Kalt says Snow then said that he "would like me to sign an affidavit that he had not influenced me to invest and that he had not said that he was involved. He said that he would have someone contact me."

Conclusions

1) The statements of Darger, Kalt, and Gleason are plausible and consistent with each other and with evidence in court files.

2) When we asked Clark Caras about Kalt, Darger, and Gleason, he answered, "Snow has done nothing legally, morally, or ethically wrong." The last two are certainly debatable, while the first is beside the point.

3) Whether Snow was "used" is not important. What if he was "used"? This is precisely the point. If he succumbs to Strand, how will handle the ethical complexity of Washington? If he was a pawn, then he is easily manipulated and is a poor judge of character.

4) Caras asked us why no one has pointed these things out before. Here's why: To speak of a man's wrongdoings is normally gossip. But someday the priest may ask "does anyone knows a reason why this couple should not be wedded," adding, "speak now or forever hold your peace." At that moment, what was gossip becomes a *civic duty*. It is for precisely such a reason that no one brought this information out before—and why they do so now.

5) An attorney and a CPA are looking into the records. Hope for the best, but expect the worst. Expect a whitewash. Expect them to answer questions that weren't asked. Questions like: Is there evidence of any specific illegality? Just remember Percy Kalt.

6) Perhaps Snow's arrogance to date rests on well-founded confidence that the public and press will continue to handle him with the kid gloves he has enjoyed to date. If he gets away with it, it will be a sad reflection on Utah.A

9704383000609

EXHIBIT D

COMMENTARY

Karl Snow's Signature Raises Quest

by Eric Schulzke

On February 5, 1985, Karl Snow signed a "Plan and Agreement of Reorganization" which merged Unique Battery (U.B.S.I.) into Global Oil Company. We've reprinted the document below. It was signed and executed by the officers of both companies. It is not a proposal. It is a binding legal document. Karl Snow has admitted to signing it. It is, said one attorney who studied it, the *one* document he should have denied.

Snow signed the agreement as a "Seller." In the opening paragraph, the agreement defines "Sellers" as the "twenty-three natural persons who are the individual owners of all the issued and outstanding shares of U.B.S.I." By signing the document, Snow declared that he was one of these shareholders. To understand the problems the document raises, some generalized legal knowledge is necessary.

A Basic Course in Tax Law

1) Whenever anything of value is received or transferred, tax consequences may result. Anytime you receive stock for services you have or will perform in the future, it must be reported as taxable income—just like cash. If you receive stock in a company, and you did not pay for it in cash or other property, you must report the value of that stock as income on your tax return.

2) To knowingly fail to report taxable income, or to execute false documents to evade payment of tax liability, is tax fraud. Tax fraud is a federal felony, punishable by prison and a fine.

3) The completion of a felony is sometimes difficult to prove. Therefore, conspiracy to commit a felony is also a felony. In this case, conspiracy to commit tax fraud would entail conspiring to receive stock in a tax-free transaction which knowingly would not qualify for tax-free treatment. Conspiracy does not require completion of the felony, but merely planning to do so.

4) There is a method whereby stock may be received in a tax-free transaction. It is called a "Type C Reorganization". If you own stock in a company ("target company") that is being merged into another company ("take-over company"), then you may receive a proportional amount of stock in the new company without tax liability on the disposition of your old stock or receipt of the new stock. The purpose of such a merger is to spare the stockholders tax liability since they have not changed the nature of their stock investment.

5) To qualify to receive the new stock tax-free, you must already own stock in the old company. If you don't own stock in the "target" company, and you receive stock in the "take-over" company, and you did not pay for the new stock, then you must report the value of that stock as taxable income on your tax return.

Ownership in Unique Battery

Does ownership of stock in Unique Battery implicate Snow in tax fraud? The document Snow signed states that he owned stock in Unique Battery. When did he purchase it? How much did he pay for it? According to his accountant, the value of the Unique Battery stock was not included in Snow's tax returns. If Snow did own the stock, and did not pay for it, why isn't the value of the stock reported in income? If Snow did not own the stock, why did he sign a false document stating that he owned the stock? Apparently, the only answer which would avoid tax fraud for failure to report the value of the Unique Battery stock is that "I never held any Unique Battery stock."

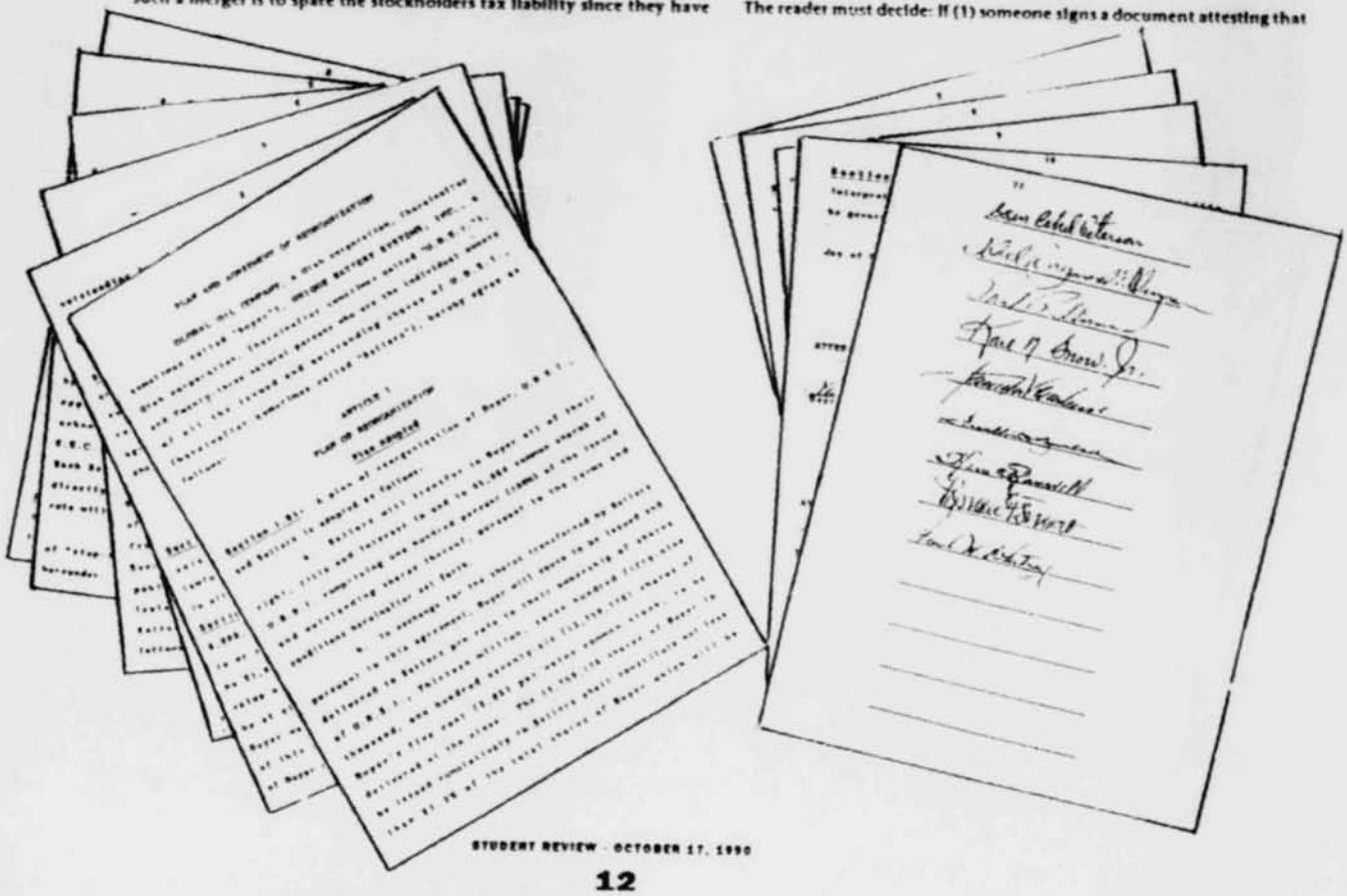
Of the 23 stockholders referred to in the February 5 merger agreement, 19 were added on February 1. These additional stockholders were added so they could be included in the merger on February 5. Former Unique President John Darger has said that Mike Strand told him the new names must be added so they could avoid tax liability. Some of the new "stockholders" actually paid money to purchase Unique Battery stock. Others did not.

The following is quoted directly from the October 6 *Deseret News* :

"Unique Battery documents show that Snow signed a reorganization plan, saying he held shares of Unique Battery stock that would be transferred to Global Oil for Global stock. Snow admits he signed the document. 'It is a perfectly legal way to transfer stock without incurring a tax liability. I never held any Unique Battery stock, however.'"

The document Snow signed is not a proposal. It is not preliminary. It is a legally binding agreement. In it, Snow claimed he was one of 23 shareholders in Unique. Now he says he knew that he never had any Unique stock, but that he knew the purpose the merger was to avoid "tax liability."

The reader must decide: If (1) someone signs a document attesting that



9704383000/0

EXHIBIT D 20

ions of Tax Fraud

they own stock in Company A, (2) they know the purpose is to receive stock in Company B without tax liability, and if (3) they did in fact not own the stock in Company A, is that not at least "conspiracy to commit tax fraud?"

Tracking the Stock

Assume for the sake of argument that Snow did not hold Unique Battery stock even though he signed the document stating he did. Is there possible tax fraud in receipt of the Global Oil stock?

To carry the logic beyond conspiracy, we must ask if the stock was ever issued. Apparently it was. Atlas Stock Transfer reports show Karl Snow with 100,000 shares of Global stock. In 1988, this same stock was transferred to M&L Investments. M&L stands for Michael and Lois Strand. Snow admits that he signed the stock transfer sheets which transferred this stock to Strand. On October 9, *The Daily Herald* reported that to facilitate the transfer of the stock, Strand stated that he "asked Snow to endorse back of some certificates and execute several blank stock powers for other certificates. . . . Snow's signature appears on the stock certificates, or stock power." Snow admits this: "I did give Mike a stock power—that is a common procedure in these matters." (*Deseret News*, October 6).

In the same article, however, Snow says he was unaware that the stock was held in his name: "It appears that I was used in this, that someone was trading on my name. I didn't know about it then. I never would have allowed it."

Snow signed the merger agreement by which he was to obtain the Global stock. An independent transfer company says the stock was issued to him and lists Snow's current address. Three years later, Snow signed documents to transfer that same stock over to Michael Strand.

How can someone transfer stock without owning it? Would anyone sign a stock transfer power if they didn't have power over that stock? Would a prudent man sign a stock transfer certificate, giving power to Michael Strand—a man twice convicted of stock fraud—without being fully aware of what it was and why he were signing it?

Apparently, the stock was issued to Snow in accordance with the agreement he signed on February 5, 1985. Snow claims the merger broke up, but not before the stock was issued. If it is true, as he claims, that he never owned any Unique Battery stock, then he was not elligible for tax-free treatment on the receipt of the stock in Global Oil. When the Global Oil stock was issued, Snow would be required to report the value of the stock on his tax return.

Within sixty days of the agreement, Percy Kalt paid $5.00 per share for Global Oil stock. The value of Snow's would be $500,000. Snow's CPA states that the value of the stock was not reported on his tax return. Even if Snow were acting as a Nominee for Mike Strand, as claimed by Snow's CPA, that is no defense. A nominee must report on his own tax return all stock transactions conducted in his name as a nominee for another person. But there is no indication on any of the documents that he was a nominee, and according to his own accountant he made no such report on his tax returns.

In summary, the facts indicate the following:

1) Snow signed a document claiming to be a

see Snow on page 14

PLAN AND AGREEMENT OF REORGANIZATION

GLOBAL OIL COMPANY, a Utah corporation, (hereinafter sometimes called "buyer"), UNIQUE BATTERY SYSTEMS, INC., a Utah corporation, (hereinafter sometimes called "U.B.S.I."), and Twenty-three natural persons who are the individual owners of all the issued and outstanding shares of U.B.S.I., (hereinafter sometimes called "Sellers"), hereby agree as follows:

The opening paragraph of the document in which "sellers" are defined as shareholders in Unique Battery.

b. Sellers are persons of sufficient business experience to evaluate this transaction.

"Sellers" attested that they know what they were doing.

Karl N. Snow, Jr.

Karl Snow's acknowledged signature as a "seller" declaring that he held stock in Unique Battery.

Editor's note: Due to time and space restrictions, we were not able to provide Mr. Snow an opportunity to respond in this issue. Next week, Mr. Snow will be given 1,000 words unedited to respond to this article and to the statements of Percy Kalt, John Dougue, and Herb Gleason which appeared in last week's issue.
We were also unable to print the supporting documents in their entirety, but they are available to the public. To view the documents call 377-2900.

"Y

9704383007/1

EXHIBIT D 3

stockholder in Unique Battery in order to aquire tax-free stock in Global Oil.

2) Snow never paid anything for the Unique Battery stock, and did not report its value on his tax returns.

3) Snow did not, according to his own statement, at any time own stock in Unique Battery.

4) According to Snow's own statement, a primary purpose of the document Snow signed was to "avoid tax liability."

5) 100,000 shares of Global Oil stock were in fact issued to Snow pursuant to the agreement.

6) Snow's signature appears on stock in 1988 transferring that 100,000 shares to a trust owned by Mike Strand.

7) Snow never reported the Global Oil stock on his income tax return.

8) Snow never reported holding the stock as a nominee.

You, the reader, must ask whether all of the questions have been asked and answered, and whether you would feel safe from the IRS if you had performed these transactions.

Notes

1) Legally, you cannot say you did not know what you were signing. An acknowledged signature will be admitted in court as evidence to the truth of the matters or events contained in the document. It is no defense to say you didn't read the document. It is no defense to say you were stupid.

2) The fact that only eleven of the twenty-three stockholders signed this document is irrelevant. The stockholders could sign separate duplicates of the document and the agreement would still be valid. They don't all have to sign the same copy. More importantly, Snow's signature legally binds him, attests to his understanding of the document, and stands as evidence of his intent.

3) Whether Snow had possession of the stock certificates is immaterial. All that matters is that he received something of value (stock) and knew he had a title to it. Snow's signature on the document acknowledges he had received title to stock in Unique Battery. Snow's signature on Global Oil stock transfer certificates by which the stock was transferred in 1988 demonstrates that he knew he held title to that Global stock.

4) The report of the CPA Snow hired to clear him is seriously flawed. To conclude, as they did, "We are convinced it [the stock] was transferred without his knowledge" after reviewing the evidence discussed above requires an extraordinary leap of faith. It is an unwarranted conclusion.

5) This was not the only flaw in the report. The report addressed four narrowly focused questions. Two of the four ("insider trading" and "whether he made any profit") were never issues at all. They were answers to questions that were never asked. Furthermore, as the above analysis makes clear, even the relevant questions were handled poorly.

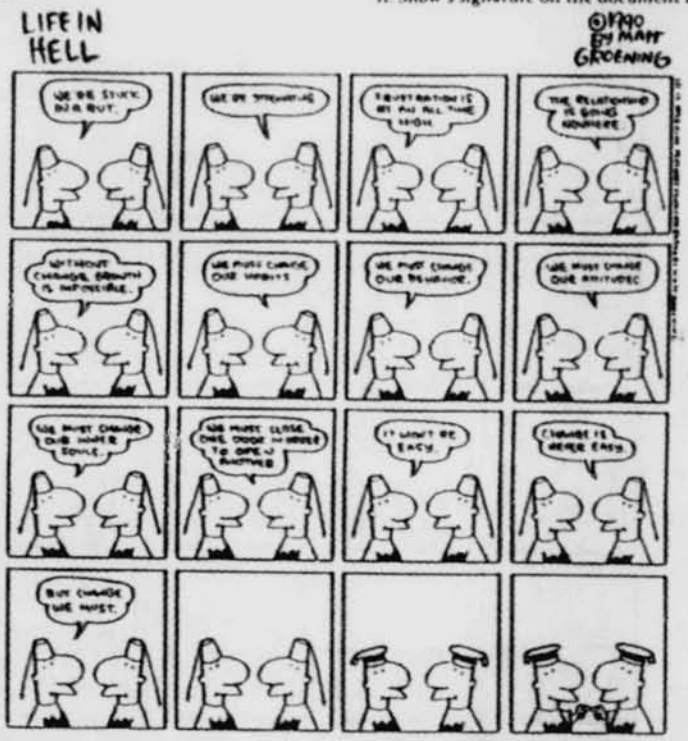
6) On KUTV's "Take Two" last Sunday, Snow said: "Let's make it clear that Mr. Snow was offered 100,000 shares of stock if he would become a member of the Board of Directors. Before I could tell them that I would not become a member of the Board of Directors, a share of stock of 100,000 shares was issued to me. A stock power was issued, immediately giving it back." Snow signed the merger agreement on February 5. According to Percy Kalt, Snow represented himself as an corporate officer in April. According to Snow himself, he did not leave the company until May or June. Stock was not issued until June 28. Four months is certainly a long time to make such a decision — and the stock was issued *after* he finally made it.

7) The legal implications of this merger agreement alone prove that the matter is far from resolved. Adequate explanations have yet to be offered. The most serious questions yet to be even asked. Once again, the media has been derelict in its duty.

8) Final question. Readers ask yourselves: why would anyone sign a document saying he was exchanging stock he did not own for stock he was not going to receive and then sign over stock certificates he claims he never got to Mike Strand, a convicted stock felon? Is that credible? A

ALLIGATOR • CRAWFISH • CATFISH • FROG LEGS • HUSHPUPPIES • JAMBALAYA • RED BEANS & RICE • LA HOT SAUSAGE • SHRIMP • SCALLOPS • BLACK EYED PEAS • JOHNNY CAKE • SWAMP BOILED • BANANAS FOSTER • SALADS

For Great Seafood
The Cajun
For Delicious Fried Chicken and the Best Hot Wings
The Cajun
For Authentic Cajun Cuisine
The Cajun
For Super Po Boy Sandwiches
The Cajun
AND FOR MUCH, MUCH MORE AT REASONABLE PRICES, COME TO THE LITTLE RESTAURANT WITH THE BIG RESTAURANT TASTE!
The New HOT SPOT in Provo
The Cajun
46 West 1230 North
Provo, Utah
377-7488
Open for LUNCH & DINNER



12 YEARS OF PURE PARTY
Sat.Oct.20
TWELFTH 12th Palace ANNIVERSARY
• Every 12th Person FREE
• Prizes Every 12 minutes
• 12 Personal Stereos
• 12 Dozen Limited Edition Palace T-Shirts
★ $1 before 12 midnight with this card
★ Lots and Lots of Prizes
★ Gift Certificates
★ KZHT Prizes
★ FREE Domino's Pizza until 10
•501 NORTH 900 EAST•
PROVO•374-9272

9 7 0 4 3 8 3 0 0 7 2

EXHIBIT 5.

DEBATES:

(Continued from Page A1)

have a platform."

Snow's wife Donna represented Snow to the women's group, saying her husband was elsewhere.

Mrs. Snow pointed out her husband's 12 years of experience in the state Legislature and noted he had worked with the Women's State Legislative Council in the past.

Snow arrived 11 minutes late for the University of Utah debate.

While waiting, Orton suggested to Hinckley Institute Chairman Ted Wilson that he should begin his opening statements without Snow being present.

"I want Karl to be here," said Wilson.

"I don't think he listens anyway," joked Orton.

The two candidates also had a joint radio appearance and a joint television appearance Thursday.

Snow told those at the Hinckley Institute his academic prowess was in the field of public administration and budgetary systems. He said his legislative experience would allow him to "hit the ground running" in Washington.

"Many wonder when you hit the ground, which way you will be going," said Orton.

Orton repeated his 10-second sound bite criticism and Snow said Orton also spoke in 10-second sound bites.

Orton took issue with alleged Snow statements that every county officer in the 3rd District supports him. Orton said that isn't the truth.

Snow told those at the university that he did have an agenda and said he has already been asked to join the tax-advisory Grace Commission if elected to congress.

"Apparently, he has found an agenda said Orton. He said that in earlier joint political events, Snow had announced that he would go to Washington without an agenda and just listen.

At all four of Thursday's 3rd District campaign events, the federal budget and deficit was a key issue.

Snow said he differed from Orton because his budget proposals called for no new taxes.

Orton suggested a three-point approach of budget process reform, spending cuts and tax reforms, including a new federal transfer tax to retire the federal deficit.

Snow said he would freeze spending, increase the federal budget 4 percent instead of the usual 10 percent, and allow growth and the budget reduction to pay off the federal debt within seven years.

Orton called Snow's plan an idea of the 1980s — basically David Stockman's trickle-down concept.

Snow said it wasn't the same idea as Stockman's and was a new concept supported by the congressional budget office.

"You don't have to tax," Snow said. "You just have to stop spending more than is coming in.

He called Orton's transfer tax inflationary.

Orton said part of Snow's budget plan would eliminate cost of living allowances in programs for the elderly.

"I never said I won't support COLAs," said Snow. He said his approach for such programs would be to cut spending and not to eliminate cost of living allowances.

"There was much of good" in the civil rights bill vetoed by Bush, said Snow. But he added that "there were plenty of reasons to veto it" too.

He said it would have changed the burdon of proof on job discrimination suits from the employee to the employer, and Snow said that was not good.

Orton agreed with problem of changing the burdon of proof. But he said in balance it should have passed. He said he would have voted for it and to override the veto.

On the saving and loan crisis, Orton said it doesn't help to point fingers of blame and said the system needs overhauling.

Snow said the crisis was caused by deregulation and increasing the federal insurance rates for federally insured programs. He said at least 100 other programs insured by the federal government could end up costing taxpayers $14 billion. He said federal regulation must be reinstated.

Both candidates said they support the clean air bill.

"We only have one earth," said Orton. He said he is in favor of "holding polluters' feet to the fire, and believes it could be done without losing jobs.

Snow said Geneva Steel has made a good-faith effort to meet clean air standards, and he said he supported new standards that will add about $175 to each new automobile. "That's a small price to pay," he said.

Snow also said he would be willing to consider a light rail public transportaton system for Utah.

Both candidate's personal pasts were questioned.

Orton was asked about delinquent taxes. He said they stemmed from a dispute he has with the state. Orton indicated that he has appealed and has met every requirement of the state.

Snow said allegations from Utahns for Ethical Government and others relating to allegations of involvement with convicted felon Michael Strand and Global Oil/Unique Battery have been reviewed extensively and he has been cleared of wrongdoing by four attorneys and a certified public accountant.

Orton said he would not criticize Snow over the Republican's past, but he said there are some unanswered questions. He called the independent CPA audit not independent since it was prepared by a Snow supporter.

Snow tries to tie Orton to Norton

He labels them 'Bobbsey Twins'

By PATRICK CHRISTIAN
Herald Staff Writer

SALT LAKE CITY — Republican congressional aspirant Karl Snow, tried again Thursday to link Snow-critical Utahns for Ethical Government to Bill Orton, Snow's Democratic opponent.

During a noon debate at the Hinkley Institute at the University of Utah, Snow said Utahns for Ethical Government spokesman Scott Norton and Orton were college chums.

Snow sparked audience laughter when he said — "In school they were known as Norton and Orton, the Bobbsey Twins."

Orton told those at the Hinckley debate that he was never a friend of Norton. He said he was in the bishopric of a Brigham Young University attended by Norton's girlfriend and frequented by Norton. But he said they were not friends.

After the debate, he told The Daily Herald, "Norton and Orton, the Bobbsey Twins," was a phrase he heard for the first time from Snow during the Hinckley debate.

Both candidates had a full day of campaigning.

For Orton, it began Thursday morning in the Salt Lake County Commission Chambers — speaking to the Women's State Legislative Council.

Orton told the women he wasn't a politician and criticized politicians for "thinking in 10-second time bites, because that's what gets you on television."

Orton said he liked Snow and didn't want to say anything negative about him. But Orton said he would offer a Snow quote — "I would go (to Washington) with no agenda."

Orton said, "I have an agenda, I

(See DEBATES, Page A2)

9704383003/3

OGC9977

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

31 FEB -1 AM 11:28

MUR 3192

January 29, 1991

Craig Reffner
Federal Elections Commision
Office of the General Counsel
999 E Street NW
Washington, DC 20436

91 FEB -1 PM 2:52

FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

Dear Mr. Reffner:

Sorry this response is so belated, and thank you for your time the other day on the phone. This response is going to be largely shot from the hip, so it may not be as carefully organized or thought out as it would otherwise be. I also hope it doesn't come across as too flippant. Still, the facts are simple enough that they stand for themselves.

(1) Taking the complaints in sequential order, I should first point out that every article I wrote was carefully supported and every charge I leveled was based on multiple witnesses and quotes from Mr. Snow himself.

(2) I did not accuse Mr. Snow of stock fraud; I did say that his actions raised the possibility of tax fraud, which they indisputably did. The articles did address both reports which supposedly cleared him. Both were whitewashes and woefully inadequate. And we did print a full-length response from Mr. Snow himself.

(3) It is true that I am a cousin of Snow's primary opponent, and it was as a volunteer for the Harmer campaign that I was initially exposed to Snow's background. However, I did not even begin working on the first article until weeks after the primary, at which point Mr. Harmer was no longer a candidate. Thus, I fail to see the relevance of the point, so far as the FEC is concerned.

(4) I do not know where the articles were distributed, nor do I particularly care. Since they are not objectionable under obscenity statutes, it is not really my responsibility.

(5) Each of the articles was clearly marked either as "commentary" or "analysis." But even this was unnecessary, as they stuck carefully to witnesses and facts, and my conclusions were well in line with the facts.

(6) I did assist with Utahns for Ethical Government, something which is well within my First Ammendment rights. But I was never in any capacity whatsoever connected either with

5704308300/4

Republicans for Orton or the Orton campaign.

(7) I also know personally that Vivian Harmer, Matt Harmer, and Mickey Cochran were not involved in Republicans for Orton.

(8) The charges of Mr. Bradshaw are, contrary to his claim, purely hearsay and supposition--mostly supposition. His sloppy treatment of the facts on nearly every point speaks for itself.

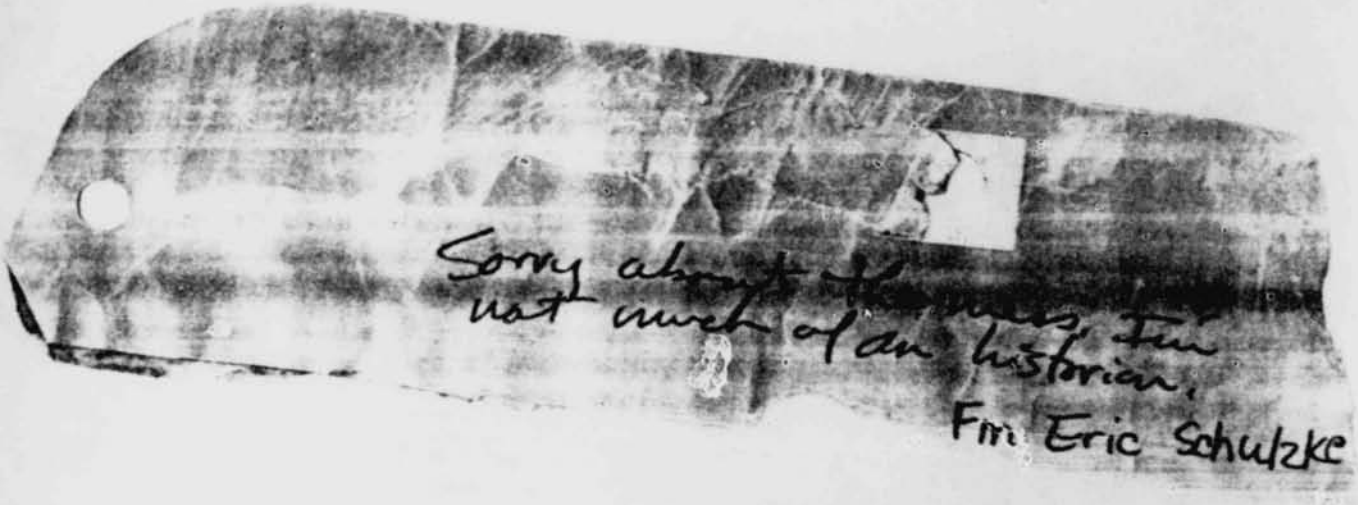
By the way, I guess I should mention how I ended up in Washington, since Mr. Bradshaw asserts that I am in Utah. I worked for two summers in a row for a Republican state senator in California named John Doolittle. When he was elected to Congress this November, he called me and offered my a job as his press secretary. Doolittle and Orton, by the way, had never met each other before this session. Now I'm in the ironic situation of working in the Republican delegation which, partly through my efforts, is one member smaller. I think this might help you to understand that my actions were based on ethical, rather than partisan, considerations.

Sincerely,

Eric Schulzke

9704383005/5

9704383007/6



was only an investor, 3rd District candidate says.

By Bob Bernick Jr.
Deseret News political editor



Third District GOP congressional candidate Karl Snow believes he will be exonerated by an investigation conducted by an attorney and accountant into his dealings with convicted stock swindler Michael Strand and two companies both men were involved with several years ago.

"What it (the investigation) will show, I believe, is that I was an investor — I lost money in the investment — and had nothing else to do with it," said Snow, who asked the two men to conduct the investigation after he found out from a Deseret News reporter several weeks ago that 100,000 shares in stock in one of the penny stock companies had been listed in his name and traded long after Snow believed he was out of transactions. The two men will make their report sometime next week.

"I wanted to get to the bottom of this, mainly because if someone did issue stock in my name, and if that stock had any value, then I could be accused of having a significant tax liability."

Accusations of wrongdoing by Snow surfaced during his bitter Republican primary contest with John Harmer. The Deseret News has published a number of stories on the allegations against Harmer and Snow. Snow crushed Harmer in the Sept. 11 primary, but Snow says Harmer supporters are still pushing the Strand issue behind the scenes and to reporters.

At issue is Snow's involvement in the attempted — but failed — merger of two companies, Unique Battery and Global Oil. While Strand has been convicted previously for fraud in stock operations, no criminal charges have been filed in the Unique Battery/Global Oil case. However, parties have filed civil suits over the matters. Snow is not named in any of those civil suits, court records shows.

Snow, the former majority leader in the Utah Senate, met Strand, a former aide to Democratic Gov. Calvin Rampton, in the early 1980s. "I've never said I never had any dealings with Michael Strand. I say I was never in business with him. I was just an investor in several companies he sold stock for."

In late 1984 and early 1985 — after Snow had lost a bid for the governor's office and left the Senate — Snow, a Brigham Young University professor, invested into a company called Unique Battery.

Please see SNOW on B2



A commercial tour on BLM lan
BLM officials say this is a goo

BLM workir more non-t

■ New image: Bureau is slowly refocusing and diverti more funds into recreation and wildlife management.

By Jerry Spangler
Deseret News staff writer

The Bureau of Land Management rarely loved and often-maligned — mea a lot of different things to all the differe people who use the BLM's 22 million acr of public land in Utah.

In fact, historically the bureau has su a reputation for kowtowing to cattlem and prospectors that legions of critics st refer to the BLM as the Bureau of L stock and Mining.

But now as part of a federal bureauc ry whose public image means everyth today's BLM says it wants a new im one that includes not so many le cattle and uranium mines and a lot mo

9704383007/7

A/28/95

MUR 3192

9704383007 8

SNOW

Continued from B1

The company made and marketed a new kind of car and truck battery, one that used less acid, held a charge longer and recharged quicker. The company, led by John D. Darger, decided to go public to raise more capital to expand. Company officers chose Strand as the man to help sell stock.

"Strand brought in a couple of new investors," said Darger. "One was Karl Snow. I'd never met him before. Strand told me we could use Snow and his political connections to help sell not only the batteries, but also to help sell stock."

Snow was offered 100,000 shares in the takeover company, Global Oil. According to Darger, Strand drew up a list of new directors and included Snow on the list. "I was offered a directorship, too," says Snow. "I declined the 100,000 shares of stock, which were to be given as compensation to serving on the board, and I declined the directorship as well."

Unique Battery documents show that Snow signed a reorganization plan, saying he held shares of Unique Battery stock that would be transferred to Global Oil for Global stock. Snow admits he signed the document. "It is a perfectly legal way to transfer stock without incurring a tax liability. I never held any Unique Battery stock, however. This was when I was considering joining Global, but I didn't. We have documents from the State Securities Division showing that that Unique Battery stock was never issued at all."

Snow says he was impressed with the new battery. "I thought it had real potential. The reason I withdrew from the deal, and I believe this is the first time I've ever told anyone the real reason, was that I learned that several people in Unique Battery — those who would be in Global Oil — were polygamists. I may not be the smartest man in the world, but I'm not stupid. There was no way a Brigham Young University professor was going into business with polygamists. And if I were a director, I'd be in business with them."

However, 100,000 shares of Global Oil stock were issued in Snow's name in June 1985. Global documents also list a "Carl Snow" as a vice president of the company. "I never approved of that, never agreed to it. I was never vice president. I never had possession of that stock," Snow says. Snow believes his investigation will show that the 100,000 shares were held at a stock transfer company and then by Strand himself.

Darger says Snow came to Global's offices several times, maybe a dozen" in the spring of 1985 and met with Strand, a couple of meetings which Darger attended, talking about company matters. "Not so I met with John Darger twice, maybe three times before I decided not to be involved," says Snow. He was not acting as a company officer, he said.

Strand confirms Snow's version of the story, saying Snow was not an officer in Global Oil, that Snow declined the offer of stock and directorship.

More than a year later, after the merger fell apart and Darger and battery's inventor had left Global Oil, the stock in Snow's name was transferred to M&L Investments, a company controlled by Strand.

"I did give Mike a stock power (the right to control the stock) — that is common procedure in these matters. I vaguely remember he called me and said I needed to do that. I never received any money or anything for that stock (the 100,000 shares). I haven't had anything to do with Mike in years."

Snow did, independent of Strand, buy 11,000 shares of Global Oil stock from a brokerage house, some in his own name, some in joint ownership with his mother, who has since died. He bought the stock, he says, because he believed it to be a good investment. In 1987, he sold some of that stock, his income tax returns show. He sold the rest in 1989, after the stock had stopped trading.

"I took the legal allowed loss of $3,000 on the stock. I lost money on it," Snow said.

Snow also bought stock in another company Strand had dealings with, Classic Mining. He still owns that stock and values it at between $5,000 and $15,000 on a financial report filed with the U.S. House. "I think it's basically worthless, I put down on the filing what I paid for it. I still own it." Strand was convicted in the late 1980s in federal court of mail fraud in his selling of Classic Mining stock. He's appealing that conviction and his three-year sentence.

Upon reflection, Snow says, he's sorry he had anything to do with Unique Battery, Global Oil or Strand. "From a political aspect, of course it hasn't been good. It appears that I was used in this (the Unique Battery/Global Oil merger), that someone was trading on my name. I didn't know about it then. I never would have allowed it."

Snow says the only person he talked to about Unique Battery, the only potential investor, was Percy Kalt, a fellow BYU professor. "But we only talked about the battery itself, whether it would work or not. That type of thing. We never talked about Global Oil or company matters." Snow says he didn't recommend to Kalt that he invest in the company.

Kalt invested $25,000 in Global Oil. When the merger failed, Kalt lost his investment and began threatening Strand, demanding his money back. In March 1989, Kalt firebombed Strand's Bountiful home, threatening more harm if Strand didn't return his investment. Kalt was convicted and served 60 days in jail for that crime.

Orton Denies 'Bobbsey Twin' Link as Snow Steps Up Attack

By Douglas L. Parker
Tribune Political Editor

Republican congressional candidate Karl Snow hung a "Bobbsey twin" moniker on his angry Democratic foe Bill Orton during a University of Utah debate Thursday.

Mr. Orton viewed the appellation as nonsense, and called it "a failed attempt at humor" in a 3rd District campaign that simmered on other fronts as well.

• The Democratic Party chairman announced results of a public opinion poll commissioned by the party, which, he interpreted, shows Mr. Orton having a crack at winning in the nation's most Republican district.

• The Snow campaign organization announced that the state's senior U.S. senator, Jake Garn, will come to bat for Mr. Snow at a Provo Holiday Inn fund-raising dinner Friday at 6:30 p.m., hosted by the retiring Congressman Howard Nielson.

• The Republican Party chairman was asked, separately, to initiate a third inquiry — an impartial judicial panel — to evaluate Mr. Snow's five-year-old participation in a penny-stock venture. Mr. Snow requested the action in a letter, with hopes of laying to rest "daily distortions and distractions" by others challenging his integrity.

The subject prompted the personal exchange between contenders at a Hinckley Institute of Politics appearance. Earlier this week a Utah County businessman, Scott Norton, led an effort to distribute anti-Snow flyers with the backing of some disgruntled business investors.

Mr. Orton, in concluding debate remarks, described Mr. Snow as accusing him of breaking federal election laws by stating that the Democrat could be behind the so-called independent attack. "That's absurd and untrue," Mr. Orton said.

The Democrat said he wouldn't bring up in the debate any questions over the stock-investment incident, and he would appreciate Mr. Snow refraining from any innuendo that he's connected to Mr. Norton's actions. "This comes from your side," Mr. Orton said.

Mr. Snow countered that he only pointed out the relationship between Mr. Orton and Mr. Norton, the latter described as a former member of the same LDS ward as Mr. Orton, and close personal friend of the Democrat. Mr. Snow said he suggested there only could be law violation if the attack were a concerted one.

The Republican then referred to the words, "Orton and Norton," an

See B-2, Column

10/26/90

10/26/90

No 'Bobbsey Twin' Link, Orton Says in Debate

Continued From B-1

commented the two men were called the Bobbsey twins in school.

That ended the public debate, but Mr. Orton told gathered news reporters that he didn't go to school with Mr. Norton, they aren't close friends, and he had never heard such a characterization. His first acquaintance with Mr. Norton was six years ago when Mr. Norton, with a girlfriend, attended a ward chapel where Mr. Orton was among the leadership.

Meanwhile, Democratic State Chairman Peter W. Billings announced "head-to-head" results of a poll with 411 respondents taken over three days last week by a Denver firm. It showed Mr. Snow leading 39 to 29 percent, with 32 percent undecided. The two registered equally in Utah County, the GOP heart of the district, Mr. Billings maintained.

Another poll was taken in which the candidates weren't identified, said Mr. Billings. Respondents were asked who they would prefer between a young tax attorney who has never held public office, and an older, former state legislator who has been subject to questions about stock dealings. The result was reversed: Mr. Orton, 49 percent; Mr. Snow, 31 percent. The remainder were undecided.

"The point is, neither candidate is known well, but if Mr. Orton can get his message out, he can win," Mr. Billings said. Republican officials immediately labeled the polling based on blind, subjective candidate descriptions as meaningless.

"There cannot be any validity in a poll that pushes the voter in a certain direction with the likes of such questions," said Greg Hopkins, Republican Party executive director.

There was no immediate response from Republican State Chairman Richard Snelgrove on whether the Snow-requested judicial panel can be organized prior to the election — 12 days away. Mr. Snow has already had panels of attorneys and accountants report that they haven't found any impropriety in his investments or finances.

But still the electorate is subjected to "scurrilous and fallacious" attacks on his character by discredited individuals, some of them lawbreakers, Mr. Snow said.

9 7 0 4 3 8 3 0 0 7 6

ORTON

Continued from B1

portions of the Democratic platform and disagrees with others. He does not support the party line on abortion, the equal rights amendment or sex and alternative lifestyle education programs in public schools.

He said reform is needed in many entitlement programs, particularly welfare and Social Security.

After the meeting, several people said they, like Murdock, are opting to vote "for the man rather than the party," as proclaimed by Republicans for Orton campaign signs appearing around the valley.

Marriott, an Orem real estate developer, said that up until last week he was confused about how he would cast his vote; Marriott said he was not convinced that Snow would represent him well in Congress.

But after hearing Orton speak he is convinced "Bill will represent our district well."

So is Doug Horne, a Provo resident and president of Horne's Lodging Properties.

"This is the first time I've ever voted Democratic in my life," Horne said. "I think in this case, Orton appears to be a true conservative. A Democratic conservative can have more effect in influencing other Democrats than a liberal Republican can."

George Stewart, Provo, calls himself a "Goldwater conservative"; he was a staff worker on the Goldwater campaign in 1964 and has been a Republican county convention delegate. But Stewart will cast his vote in the congressional race for Orton.

"He (Orton) is not only more conservative (than Snow), he is more articulate," Stewart said.

William D. Moeller, an Alpine resident and chairman and chief executive officer of American Consolidated Mining Co., also plans to vote for Orton.

"If he (Orton) will stand up and say and do what he says he'll do, he'll be fine," Moeller said.

And if Orton turns out to be a chameleon? "If we don't like him, we can vote him out in two years," Horne said.

The Republicans said they do not support the national Democratic party platform and do not plan to cross party lines in other races.

What does Orton think of his newfound allies? He acknowledges that without some Republican support there is no way he can win the race. Orton said Republicans are finding that he shares their moral values, ideology on the role of government and conservative philosophy.

"I'm happy to get support from any source I can get it," he said. "One of the real surprises and shocks is that the Democratic party not only has a viable candidate but has a candidate who is mainstream on the issues."

A number of people left the meeting with Republicans for Orton signs to plant in their lawns. The signs, which show an elephant with his arm around a surprised donkey, list Orton as the "clean, conservative, courageous" choice for Congress. However, like snowflakes, the signs disappear almost as soon as they touch the ground.

2 GOP groups support Demo

Two groups using the name "Republicans for Orton" have formed to support the Democrat's bid for Congress.

One group is led by Salt Lake businessman Mike Schnable and has about 50 members. Schnable's group says Republican candidate Karl Snow "shows a lack of leadership" and "does not represent the principles of the Republican party."

Rose Higa, secretary for Schnable's group, says Orton has received no money from the state or national Democratic party and will be "free to vote his conscience rather than be coerced by either party."

The second group was organized by Kerry Smith of Roosevelt.

"We're actively pro-Orton," Smith said. "Bill spent time out here — he took the time to research and study the issues, such as the Indian affairs and oil policies."

Representatives of the two groups say they were not aware of each other when they formed their groups.

Vice president faces fix up of local GOP

By PATRICK CHRISTIAN
Herald Staff Writer

When Vice President Dan Quayle, a Republican, arrives in Provo Thursday to attempt to boost 3rd Congressional District GOP candidate Karl Snow's chances of election, he might find himself trying to patch up a splintering Republican Party.

Already there are at least two separate groups of Republicans for Orton — supporting Democrat Bill Orton for the congresssional district.

Nearly 35 Republicans attended a meet-Orton event Tuesday night at developer Doug Marriott's Orem home to listen to Orton.

Marriott said he called between 75 and 100 Republican acquaintances.

"Many said they had already decided to support Orton. I think only three people said they were planning to vote the other way," said Marriott.

Orton spoke in front of a large sign that looked like Orton's common campaign sign. But worked into the sign was the message —

"Republicans for Orton
- clean
- conservative
- courageous"

Orton told the group of Republicans about his ideas to balance the budget and other political notions.

Among those who attended Tuesday were Orem Mayor Blaine Willis and Orem City Councilwoman Joyce Johnson, both Republicans.

Snow campaign manager Clark Caras said that Willis had endorsed Snow.

But Willis said this morning that he has not yet endorsed anyone for the 3rd District.

Willis said he attended the meeting because his neighbor Marriott invited him and he wanted to hear what the Democrat had to say.

Also at the meeting was longtime Utah County GOP activist Steve Shallenberger, who said he is already committed to Snow, but attended the meeting as a courtesy to his friends Marriott and George [illegible] Republicans who are supporters of Orton.

[illegible]rger confirmed that he will be introducing Snow at the vice-presidential political rally.

It was Murdock and Marriott who paid for the airplane to tow the Republicans for Orton sign around Utah Valley and BYU's Cougar Stadium during the BYU-New Mexico football game last tweekend.

Also attending the meeting was Mickey Cochran, former campaign manager of John Harmer, the Republican 3rd District candidate that Snow defeated in the GOP primary.

Quayle already should be aware of some fracturing among Republican opinion in the 3rd District.

Murdock said he and others dispatched letters to Quayle's fax machine at the White House Tuesday.

"Though this district is reputed to be the most Republican county in the U.S., don't think for a minute that you will arrive here to find any united Republican coalition for Karl Snow," stated part of Murdock's fax to Quayle.

His fax also said Republicans for Orton still hold to GOP ideals.

"This significant groundswell of Republicans for Orton in no way implies any endorsement by us of the Democratic Party platform. On the contrary, we fully support that of the Republican Party. We just think Bill Orton is the more conservative and better-qualified candidate," the fax continued.

Caras said, "Republicans for Orton has not been any more an issue with us than Democrats for Snow would be."

Quayle visit

Karl Snow campaign manager Clark Caras said some changes have been made in the visit by Vice President Dan Quayle Thursday.

Doors to Utah Valley Community College where Quayle will speak will not open until 12:15 p.m.

The vice president's plane arrives at Provo Airport at 2:05 p.m.

0 7 0 4 3 8 3 0 0 0 0

GOP leader blasts treatment of Snow

By PATRICK CHRISTIAN
Herald Staff Writer

In his press conference Monday afternoon, Utah's top Republican leader decried the way the GOP's 3rd District Candidate Karl Snow has been treated, and blamed Snow's Democratic opponent Bill Orton for conducting a dirty campaign.

Utah Republican Party Chairman Richard Snelgrove said Utah politics has deteriorated.

He also said two separate organizations called Republicans for Orton, have no prominent Republican Party stalwarts among their ranks.

Salt Lake County GOP Chairman Peter Van Alstyne said Republicans who joined those splinter groups have indicated that they joined the groups based soley on judgments made on the rumors circulating about Snow.

Reports of Snow being a showcase investor during 1984 in Unique Battery/Global Oil and being involved with Michael Strand, once convicted of stock fraud, surfaced at a press conference sponsored by Utahns for Ethical Government.

The group, chaired by Scott Norton, exhibited former company investor Percy Kalt and Unique Battery President John Darger at its press conference last Wednesday.

They all said while they had no evidence of criminal wrongdoing by Snow, the Republican had lied about the extent of his involvement with the companies and Strand.

Kalt said Snow told him he was a company officer. Darger said Strand arranged for Snow to be an officer and he witnessed numerous dealings between Strand and Snow and often watched Snow working in an adjacent office.

Snow denies these allegations.

A probe by four Republican attorneys, who said they conducted an independent probe of Snow and John Harmer, found no evidence to the contrary although they said Harmer's past was full of questions. Harmer was a Republican candidate who lost to Snow in the GOP primary.

Another probe by a certified public accountant hired by Snow also found no wrongdoing by Snow.

Snelgrove also commissioned an earlier probe into Harmer and Snow and found no wrongdoing by Snow.

At his own press conference, Snow said his involvement with Strand had come at the bequest of a former bishop to help right an unjust federal conviction against Strand.

Snow said his involvement in the companies was soley as an investor, not as an officer.

Snow hinted that Orton was behind Utahns for Ethical Government and later Snow asked Snelgrove to look into his past business dealings once again.

But Snelgrove said on Monday he would not review the candidate's past.

He said they had been already reviewed three times and three times Snow was cleared of any wrongdoing.

He said in law there was a factor called double jeopardy where a person could not be tried for the same infraction twice. But he said in the case of Snow there was not only double jeopardy but "triple and quadruple jeopardy."

To bring up the seemingly undying controversy one another time, would "play into the hands of Orton and Democrats by dragging this out longer. When it is a non issue," he said. "The only issue between now and next Tuesday should be that Orton and the Democratic leadership have some explaining to do and must apologize to the people of the 3rd District for their use of Chicago-style sleazy politics which has lowered Utah politics to a new low," said Snelgrove.

Snelgrove charged that journalists are being manipulated by Orton.

He particularly cited The Daily Herald. "It is particularly amazing that the Provo Herald has had a ridiculous story on this ridiculous matter for 14 days straight," said Snelgrove.

"I call on responsible journalists to put an end to this slimy political nonsense," he added.

Snelgrove cited the following as evidence of Orton's involvement:

- First, Orton and the Democratic leadership have admitted in their polls that if they can paint Karl Snow as a penny stock cheater who is in cahoots with a convicted felon that it will improve their chances of winning the election.
- "Second, it should not be surprising that Orton's signature is on the checkout form of the court file of Unique Battery in the court clerks office, clear back during the primary campaign. It is interesting to note this when these baseless allegations were made."
- "Third, Mr. Ken Murdock says he has personally paid for the absurd insert in The Daily Herald late last week and Bill Orton has said he had nothing to do with it. Then why did Orton spend much of Thursday morning at Murdock's brother's home?"
- "Fourth, Karl Snow's name never came up during the trial for Percy Kalt's fire bombing. Strange how these allegations come up just two weeks prior to the election.
- "Fifth, one of those accusing Mr. Snow is John Darger. I am advised that John Darger's brother shares office space with Bill Orton. He is also the same man who told the independent attorneys committee that 'Karl Snow did nothing wrong.'"

Orton has continued to deny any involvement with Utahns for Ethical Government. He said he has tried to stay away from bringing up Snow's past involvements with Snow or Unique Battery/Global Oil.

An attempt was made to contact Orton on Monday, but staffers said he was busy and would call the Herald back. This morning, Orton staffers again said the candidate was too busy to talk to a reporter.

Group urges Snow retract statements

SALT LAKE CITY (AP) — Republican congressional hopeful Karl Snow has been urged to retract statements he made about members of the group Utahns for Ethical Government, and avoid possible legal action.

Meantime, Snow said the demand is "just another smear tactic to divert us from dealing with the real issues."

In a letter to Snow on Monday, the attorney for group spokesman Scott Norton demanded a retraction following Snow's description of group members as "convicted felons, known criminals, polygamists, and other corrupt lawbreakers."

Norton is demanding that Snow publicly withdraw his statements made last week, or forward a retraction to local media for publication, the letter said.

"A citizen's group should not be labelled and penalized wrongly for the expression of their concerns for ethical leadership," wrote attorney Sheldon Carter.

Carter also wrote that Norton "has expressed a desire to resolve this problem without litigation."

However, while Snow said he directed the comments at some members of the group, they were not intended for Norton.

"I'm not going to apologize to the group as a whole. These are hardly credible witnesses to be throwing stones at Mr. Snow," he said.

Snow, who had not seen the letter, said he would review the matter with campaign officials before making a determination.

Utahns for Ethical Government has questioned Snow's past association with convicted penny stock manipulator Michael Strand and Unique Battery and Global Oil companies.

The organization also has questioned the validity of two independent investigations that Snow claims cleared him of all wrongdoing, as well as his claim that he has no campaign debts, a statement released Monday said.

Snow gets his comeuppance

To the editor:

It was with amusement — and regret — when I watched Karl Snow on TV squirm and throw a temper tantrum at being accused of wrongdoing in his failure to disclose his true association with a penny-stock scheme.

Amusement? Because Snow is getting some of his own medicine. Let's go back to the days when we of Watchdog of Sandy Group (made up of Republicans, Democrats, Mormons and non-Mormons) successfully won a long, costly battle against Snow and his teammate, Attorney William D. Oswald of RDA infamy.

Snow, in a radio interview, called Watchdog people a radical, extreme-rightist group. Why? Because we successfully defended our homes and property against Snow and the unfair RDA, which attempted to steal our unblighted lands and homes for giving to rich developers.

Regret? Because, even though at this time I tend to lean more to Republican conservatism, I do not want Snow to ever get back into political office. He is not to be trusted for fair treatment to a majority of his constituents. He will favor his special-interest parties — and his own interests.

If Snow does not want to be judged guilty by association, he should not associate with undesirables.

Clay Robinson
Sandy

It's time for Hayward to go

9704383008-1

Some Republicans back Orton

Organization has some 50 members

By PATRICK CHRISTIAN
Herald Staff Writer

A crack in the Grand Old Party as opened up in Utah in the 3rd ongressional District with the for- ation of Republicans for Demo- at Bill Orton.

"We feel that Karl Snow does not present the principles of the Re- ublican Party," said Mike Schna- e, president of the organization.

The Salt Lake County business- an said his organization has early 50 members so far and is eking more to support Orton.

organization's logo shows a ed Democrat donkey arm-in- ith the Repubican Elephant. commissioned by the revolu- Republicans and drawn by County freelance artist.

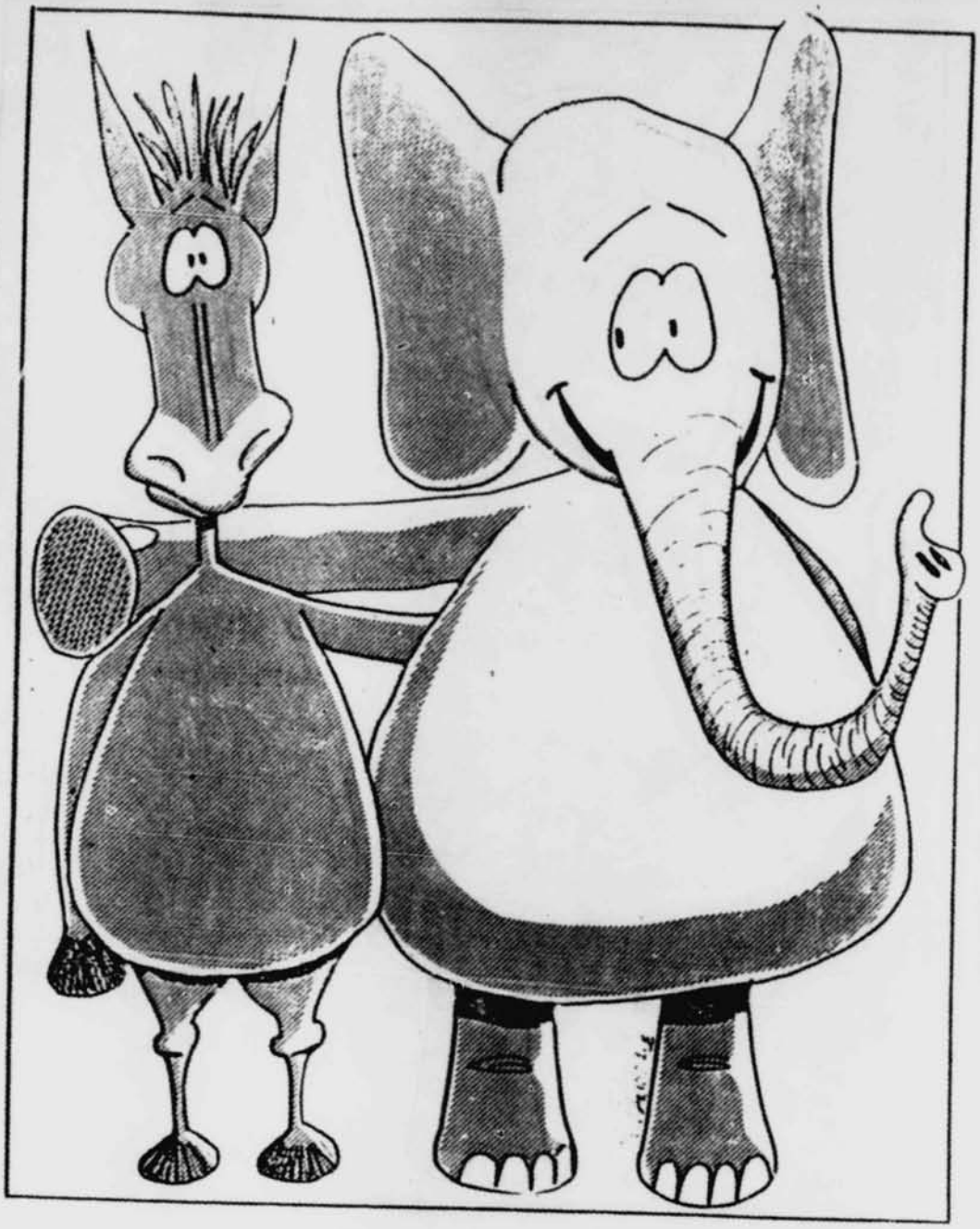
campaign manager Clark questioned whether the sup- s were ever really Republi- n their hearts if they can pport Orton — whose nation- ty's platform supports abor- n demand and the National tional Association's position lternative lifestyles such as exuality should be taught in schools.

Republican's for Orton press tch, the organization said has avoided public debates wherever possible sticks to rized speeches.

le) is a carefully-packaged product which his well-financed mpaign keeps hidden as much as ssible so the public will be una- e to see his ineptness," it states.

The dispatch also spoke of the ell-publicized alleged Snow entan- ements with Michael Strand, and mpanies Strand was involved th.

Strand was the convicted felon ho was manipulating stock involv- g a merger between Unique Bat- y and Global Oil Company.



Logo for Republicans for Bill Orton

Many investors lost money when the merger failed. Snow claims he was one of the victims too.

"In the Mike Strand affair, he either is quilty and lying or his is incredibly gullible and lacks discernment in his choice of business associates," read the dispatch.

Republicans for Orton, led by Schnable, are not the same organization as Republicans for Orton, led by Kerry Smith of Roosevelt.

Smith said his organization is much smaller and has operated mostly in Roosevelt and was unaware of the Salt Lake County based group.

Smith said he formed his organizaton because Orton was the only candidate who seemed to spend a lot of time talking with residents of the 3rd Congressional districts other 12 counties that are more rural than Salt Lake and Utah County.

Snow Launches Pre-Emptive Strike at Attackers



Karl Snow
Attacks "Despicable"

By John Keahey
Tribune Staff Writer

PROVO — Saying he's "mad as hell" over "self-serving and despicable" attacks, 3rd Congressional District contender Karl Snow Tuesday launched a verbal strike against a group that says it has "explosive new evidence" about his financial dealings.

Mr. Snow called reporters together to react in advance to a news conference scheduled for Wednesday by "Utahns for Ethical Government," an organization billing itself as "a group of concerned citizens."

In an announcement of its Wednesday conference, the organization said it will present "several witnesses from around the country who will offer explosive new evidence that Karl Snow has lied to the press about his involvement" in a penny-stock scheme.

"It's information you can't afford to miss," the group's announcement to the news media said, "and it's information that every voter in the 3rd Congressional District needs to know before election day. Here's your chance to give it to them."

The news conference is scheduled for 10 a.m. at the Governor's Board Room at the state Capitol.

"At this point in this campaign, I am mad as hell and will no longer stand for what is nothing more than attacks from people who are stooping to tactics that are politically self-serving and despicable," Mr. Snow said Tuesday.

He said the group is "lead by Scott Norton, who is a former LDS ward member and a close personal friend of my Democrat opponent and seeks again to tie me to a situation that five lawyers and two [certified public accountants] have already cleared me."

In addition, Mr. Snow said the group is poised to spend 'thousands of dollars" to bring information about his financial dealings to the public and that is tantamount to an "illegal" campaign donation for his opponent, Bill Orton.

Mr. Orton denied any involvement with Utahns for Ethical Government, saying he knew Mr. Norton six years ago through their local church ward.

"I have talked with Scott in the last several weeks," he said, in an attempt to raise funds for his campaign. "I have been contacting all of the people I know and asking them for contributions. I might add that I was turned down" by Mr. Norton.

Mr. Norton, owner of a chain of Utah County food stores, told *The Tribune* he would let Wednesday morning's news conference act as a response to Mr. Snow's Tuesday comments. He refused to disclose where the group was getting its funding for the proposed distribution of information about Mr. Snow, saying, "I'll answer that tomorrow, but not today."

Mr. Snow reviewed with reporters his involvement in stock dealings that have come to light during the campaign. That involvement centered around two companies — Unique Battery and Global Oil — and his relationship with convicted felon Michael Strand.

"Michael Strand made a misstep in his life; in fact, it's now obvious he made several missteps, none of which I played a role in," Mr. Snow said.

"And for me now to be convicted of guilt by association is a cheap political ploy on my detractors and Democratic opponent's parts, detractors who in fact should have their own credibility called into question."

He said some of those people are convicted felons in their own right and also practicing plural marriage.

Mr. Orton, in response to Mr. Snow

See B-2, Column 4

9704383008 3

Accusers Line Up to Give 2 Cents' Worth Against Snow

By Douglas L. Parker
Tribune Political Editor

Some former investors in a soured speculative stock venture were paraded before news reporters Wednesday to challenge Republican congressional candidate Karl Snow's characterization about the degree of his involvement in the dealings.

The 3rd District candidate — the day before — had counter-punched in anticipation of what he called "below-the-belt political skulduggery," the most negative campaign tactic ever perpetrated in the congressional district.

Mr. Snow branded it an attempt to tag him with guilt by association, and questioned the credibility of his accusers.

One of them, gathered at a Capitol news conference, was Percy Kalt, a former Brigham Young University professor, who was found guilty last year of firebombing the Bountiful home of convicted stock promoter Michael W. Strand — a central figure in the campaign brouhaha.

The appearance of the Snow detractors was arranged by Scott Norton, a Pleasant Grove grocer, who identified himself as chairman of a self-styled Utahns for Ethical Government organization, which has published a anti-Snow campaign flier questioning the candidate's credibility.

At focus are so-called penny stock transactions in the mid-1980s involving the financing and potential merger of Unique Battery Systems into Global Oil Co., for which Strand was active in raising capital. His stock convictions, being appealed, were for securities and mail fraud unrelated to the stock transactions cited.

Also gathered at the news conference were John Darger, former president of Unique Battery living in Utah County, and Herb Gleason, a Lakeland, Fla. real estate sales agent and former investor. A document was read on behalf of another investor, Maurice Turley, an officer in an El Paso, Tex., patio products firm.

Mr. Snow, a former state senator and BYU faculty member, has described his involvement with the stock promotion as peripheral; a role limited to a failed investor like others, and who eventually balked at designation as director with 100,000 shares offered in a reorganized firm.

The investors coming forward Wednesday, however, all complained that Mr. Snow's position lent credibility to the venture and influenced their investments.

Mr. Darger specifically maintained he witnessed "numerous dealings" between Mr. Snow and Strand to support his contention there was "extensive involvement." He also brought up Mr. Snow's previous reference to him as a polygamist. "I might remind you that I'm not the one on trial here. Karl Snow is," Mr. Darger said.

Mr. Kalt insisted Mr. Snow recom-

See B-2, Column 1



Karl Snow
Attacked by Ex-Investors

Accusers Line Up to Contrib...e 2 Cents' Worth Against Sno

Continued From B-1

...ended investment in the business. ...t was his frustration over the failed ...Rock scheme in which he invested ...that led to his "irrational behavior" ...of firebombing and threatening ...physical violence against Strand's family, Mr. Kalt explained.

The appearance of the Snow detractors was arranged by Scott Norton, a Pleasant Grove grocer, who identified himself as chairman of a self-styled Utahns for Ethical Government organization which has published a anti-Snow campaign flyer questioning the candidate's credibility.

Mr. Norton said there is no corporate or political action committee registration for the group so no officers were cited. Mr. Norton, who described himself as Republican, said he's spent $1,700 so far on efforts aimed at circulating the flyer, "and other donations are coming in."

Mr. Snow suggested Mr. Norton's effort may not be independent because he is a former LDS ward member and close personal friend of the Democratic candidate, Bill Orton.

Mr. Norton responded he's not a close friend. Mr. Orton said earlier he has nothing to do with it, and added he resents the Republican trying to "muddy" him in this incident.

Mr. Norton said he was "moved to action" after reading articles questioning Mr. Snow's activities that were written in an off-campus publication, *Student Review*, by Eric Schulze, who formerly w... the campaign of Mr. Snow ... election foe, John Harmer.

The Snow antagonists ... Mr. Snow's efforts in 1987 ... in behalf of Strand before t... Department. This, Mr. N... serted, demonstrates more ... sual relationship. No illeg... ties are alleged against Mr. ... just that there's a closer rel... that the candidate has rep... "and that is breaking the co... of the public," Mr. Norton ...

"As a former bishop in ... Church, I understand the ... of caring and charity and he ... another when we are do... Snow responded. "My rel... with Michael Strand bega... vein."

"I was asked by one of my ... mer LDS bishops to look in ... that the IRS filed against ... Strand. This came at a time ... chael Strand had already s... time in a federal prison, ... mately 63 days. I had noth... with getting Mr. Strand out ... (on bond). After reviewing t... concluded that evidence in ... had been withheld, and s... have his case reopened and the evidence introduced."

"Michael Strand made a misstep in his life, in fact, it's now obvious he made several missteps, none of which I played a role in. And for me to now be convicted of guilt by association is a cheap political ploy," Mr. Snow said.

Orton, Snow answer questions at BYU

By PATRICK CHRISTIAN
Herald Staff Writer

The last time 3rd Congressional District Democratic candidate Bill Orton was in the moot courtroom at Brigham Young University, he was a law school student and debating hypothetical legal cases.

Monday, he faced his Republican foe, Karl Snow, in the moot courtroom.

But before the political event that was sponsored by the university's Student Bar Association began, Orton complained to organizers that the format was not a debate — but just a question-and-answer session.

"This happens all the time," Snow said to one of the organizers.

He was speaking of Orton's repeated complaints that Snow won't debate him and he joked: "What I need is a good lawyer."



Karl Snow — Bill Orton

Orton was right. It wasn't a debate.

What happened in the moot courtroom — where students debate everyday — was the candidates answering questions from a panel.

Orton said Snow tells people he has debated the Democrat as many times as Lincoln debated Douglas.

But Orton said the only real debate — with adequate time to challenge his opponent's statements — was conducted before the GOP primary.

About 40 people attended the political event at BYU.

Orton said he was not a politician and was young enough and naive enough to believe one person can make a difference.

Snow spoke of his exerience and 12 years in the Utah Senate and said his experience is in the mainstream of Utah politics.

Snow said the political system is broken and needs to be fixed.

He said Congress, controlled by Democrats, just wants to spend without awareness of revenues.

Orton spoke of the importance of a two-party system so both sides of issues can be properly debated.

But Orton said Congress spends too much time blaming the other party for the woes of the nation.

Orton said the solution for problems of the homeless is better education."

But he said there is also a need for federal short-term intervention.

Snow said the national government has neglected the homeless. But he said the private sector is to be commended for its steps to help

(See DEBATE, Page A2)

Groups want to provide info on Snow

By ROBB HICKEN
Herald Staff Writer

Two politically active groups have emerged from the political aftermath of 3rd Congressional District primary elections.

Both groups are bent on getting the public as much information as possible on Republican candidate Karl Snow.

A citizens' group called Utahns for Ethical Government has already taken a stand to bring to light new evidence which is slated to bring "forward damning new evidence of (candidate Karl Snow's) complicity with Mike Strand."

A second group titled "Republicans for Orton" has arose with a stance that there are Republicans who don't want to vote for Snow.

Scott Norton, a UEG spokesman, said questions brought out in the primary election remain unanswered despite an accountant's report on Snow's financial dealings.

The report cleared Snow of any financial improprieties, tax obligations or insider trading but left open concerns about his business sense.

Norton said there also exists questions about his position on the Utah Techonology Finances Corporation, a quasi-state agency that provides financial opportunities for promising innovative technology-oriented businesses.

A second area of concern is that of Snow's apparent ongoing business dealings with Strand in the merger of Unique Battery System Incorporated and Global Oil.

"Either he had shares in Unique Battery or he didn't," Norton said. "If he did then he stood to make $500,000 when the two companies merged."

Kerry Smith, a spokesman for the Republicans for Orton, said he doesn't believe he and many other Republicans can support Snow.

Based in Roosevelt, the group is in full support of Democratic candidate Bill Orton.

"We're actively pro-Orton," said Smith. "Bill spent time out here — he took the time to research and study the issues — such as the Indian Affairs and oil policies."

Smith said those are key issues and are the base needs of the people in the Uinta Basin.

He said the main body of the Republicans for Orton are those that are frustrated with Snow.

9 7 0 4 3 8 3 0 0 8 S

Nielson Backs Snow Despite Past Dealings

10/31/90 Tribune

By John Keahey
Tribune Staff Writer

Retiring Rep. Howard Nielson, while reaffirming his support of fellow Republican Karl Snow for his 3rd Congressional District seat, said Tuesday his friend showed "poor judgment" in penny-stock dealings in the mid 1980s.

The four-term Utah congressman, t a State Capitol news conference, lso said Mr. Snow showed "uncharcteristic" behavior in referring to rganized detractors as polygamists nd convicted felons.

"I don't think he owes [the detractors] an apology," Rep. Nielson said. He may have used language that is ncharacteristic of him by characterizing the group that was assaulting him. I would not have done what e did. I don't think there's any legal ction [the group can bring against [r. Snow] because everything he aid is true."

Rep. Nielson was referring to a all late Monday for Mr. Snow to react comments he made about members of Utahns for Ethical Government.

Mr. Snow referred to them as convicted felons, known criminals, olygamists and other corrupt lawmakers," according to a letter to the candidate from an attorney for group spokesman Scott Norton, a Utah County businessman.

The group last week detailed what it said was unethical behavior by Mr. Snow in his involvement with the penny-stock market in 1985. Mr. Snow called his own news conference a day before the group met with reporters to diffuse anticipated accusations.

"There's no question [Karl] used poor judgment" in his stock-market dealings," Rep. Nielson said. "I

See B-2, Column 5

Nielson Backs Snow Despite Deal

Continued From B-1

think if he had told everything initially, it would have been better for everyone concerned. Karl was in debt after his failed governor campaign [in 1984] and was trying to make money. I don't think investing unwisely is necessarily a problem."

Because of the controversy over finances and the hard-fought primary campaign between Mr. Snow and ultra-conservative John Harmer, Rep. Nielson said some people think the congressman's support of Mr. Snow "is wavering. I'm very strong for him," he said before launching into a detailed description of the candidate's background.

"I do think the primary campaign was dirty on both sides. In my 35 years since I came back to Utah, I've never seen as dirty a campaign on all sides," the veteran Utah lawmaker said.

With less than a week to go before the election, news releases from all players in the 3rd District campaign continue to flow into media offices.

Utahns for Ethical Government, following their call for a Snow retraction, complained Tuesday that Utah GOP Chairman Richard Snelgrove refused to call a third panel to look into Mr. Snow's financial dealings.

Mr. Norton's statement said his organization "has new information" to challenge results of previous reviews that exonerated the candidate.

Democratic candidate Bill Orton, characterized by Mr. Snow as participating in attempts to discredit him, also jumped into the fray late Monday by characterizing his opponent as "a man drowning in his own bad publicity. I am not the root of Karl Snow's problems over his financial past. I am not Karl Snow's accuser."

Mr. Orton said Mr. Snow is trying "divert attention from his own problems and attempting to shift the political stench to me."

* Nielson is repeating and reaffirming Snow's allegations against NORTON & Murdock By stating "Every thing he said is true".

SLANDER & DEFAMATION Repeated.

No GOP coalition here for Snow, Orem man warns Quayle

■ Conservatives: Lifelong Republican says he will vote for the winner — Orton.

By Brooke Adams
Deseret News staff writer



PROVO — Vice President Dan Quayle got a strong message Tuesday from a Utah County Republican who is planning to vote for Democrat Bill Orton in the 3rd District Congressional race.

The 3rd District may be "the most Republican of any in the United States," the letter faxed to Quayle said, but "don't think for a minute that you will arrive here to find any united Republican coalition for Karl Snow."

Snow is the Republican candidate in the race. Quayle is scheduled to participate in a rally for Snow Thursday at Utah Valley Community College in Orem.

George Murdock, Orem, sent the letter to Quayle. He is a lifelong Republican who is "satisfied that Bill is going to vote closer to the way I think as a conservative Republican than the alternative out there."

Murdock's letter said Quayle's trip to Utah County will "draw national attention to the fact that a Democrat, Bill Orton, is going to win the race in this district. Of the 150 calls I have personally made to fellow Republican friends and associates, not one is voting for Karl Snow."

Murdock said Orton, a tax attorney, "would become the tax authority in the House" if elected.

Tuesday night, about 20 Republicans attended a meeting at the home of Doug Marriott to hear Orton's views on issues.

"How can you be a Democrat and sound so much like a Republican?" one member of the audience asked Orton.

Orton said he espouses conservative — rather than Democratic or Republican — ideas. He told the group he supports some

Please see ORTON on B2

9704383000887

9/043830088

Karl A. Snow
[illegible] N. Oak Lane
Provo Utah 84604

CLAIM CHECK NO.
183207

☐ HOLD

DATE

1ST NOTICE

2ND NOTICE

RETURN

Detached from PS Form 3849-A Oct. 1980

CERTIFIED
P 001 791 363
MAIL

SALT LAKE CITY JUN 6 '88 UT

Bill Mann
6-10

Peggy Fugal Advertising
950 North University Avenue
Provo Utah 84604

Changes In Eastern Europe And Central America Demand Look At Defense

- Snow: Will Support a "Peace Dividend" That Does Not Weaken America's Position Internationally, nor Compromise National Defense.
- ow: Will Consider ional International Aid kages For New nocratic Governments t Prove Themselves.
- ow: Will Not Allow a ojan Horse" to Rise m The Ashes Of the Curtain.



W ~~nca's strong defense~~ since ye War II has paid off in the past ha the so-called "Domino Effect" an ersed itself around the world de en birth to new fledgling Ce acies in Eastern Europe and America.

eaking to a Veteran's group Th Congressional District ca ite Karl Snow praised At a's fighting men who over the pa eral decades have manned the wa gainst the Communist giant tha now shown its feet of clay.

"We have lost thousands of young Americans who were willing to stand up against Communist aggression and expansionism during the past four decades," he said. "Taxpayers and citizens at home have shown the world that we were willing to pay the price for our own defense and the defense of our friends and neighbors around the world."

Snow said the work of Presidents such as Ford, Reagan and Bush should not be discounted in having played a hand in what has happened in the world during 1989. "It was a Republican President who stood at the Iron Curtain in Berlin and declared, 'Mr. Gorbachev! Tear down this wall! Tear down this wall!' We cannot forget that the year 1989 culminated at the end of a decade when American patriotism and respect around the world had grown to equal that of the post-war years of 1945."

And while the world marvels at the prospects of peace and democracy the change in governments in such places as East Germany, Rumania, and even the Soviet Union, we cannot afford to slip into apathy and isolationism as happened to many in the years before December 7, 1941.

"I agree with the experts," Snow said, "there is a 'Peace Dividend' to be considered in all of this. There is no question that the defense budget can be cut in areas where our strategic defense will not be compromised. And while I will be open to consider such cuts, I will not stand by and let a Trojan Horse rise from the ashes and broken concrete of the Iron Curtain."

A Statement On Regulatory Philosophy

Thought and consideration should be given to alternatives for resolution and the impact and consequence of any governmental action. I pledge to the voters of the Third District to use my knowledge and understanding of the alternatives and governmental process in a way that will warrant the trust of the people bestow in me.

Karl N. Snow

Karl N. Snow



Karl Snow
and his family



Bill Orton
and his family

Some candidates want you to believe that their personal values don t matter.

Most issues facing the United States Congress seriously affect our families.

Values Do Matter!

Vote Republican

Paid for by the Utah Republican Party.

9704383000900

The Daily Herald

Wednesday, November 7, 1990 Central Utah's Newspaper for 116 Years — Issue No. 99, Provo, Utah 50 Cents

Democrat Orton beats Snow in stunning victory



Herald Photo/Trent Nelson

Democrat Bill Orton shares his victory joy with his parents Don and Carol Orton Tuesday night.

By PATRICK CHRISTIAN
Herald Staff Writer

Democrat Bill Orton declared political victory Tuesday night in a surprising 3rd Congressional District upset that stunned confident Republicans.

This morning, a lot of Republicans were shaking their heads in disbelief and already talking about 1992.

As the metaphor goes, the fat lady sung. For those who remember the past she could have been a metaphorical Margaret Truman. The song she sang was a decisive 56-37 percent Democratic victory for Orton over Republican Karl Snow in Utah's newest and largest district — a district left undefended by retiring Republican Howard Nielson, who called Orton's win devastating to the GOP.

Wayne Owens' successful re-election and Orton's victory mark the first time since 1974 that Utah Democrats gained more than one voice in Congress.

The 3rd District was one many GOP supporters liked to describe as the most Republican district in the United States. It was thought by many Republicans to be unpregnable.

Republican blame for the 78,431-to-56,096 GOP defeat abounded in the marbled halls of the old Utah County Building where Republicans had gathered election night to watch the progress of candidates.

Even before the first returns were in, the mood there turned somber as Brigham Young University political scientist David Magleby's exit polling results showed a 62-37 percent margin in favor of the Democrat.

In past elections Magleby's exit polling had always closely mirrored the final outcome.

A disappointed Linda Walton blamed her favorite candidate's loss on an advertisement she didn't prepare. "I think it killed him," said Walton, who called the advertisement a cheap political shot that backfired.

Her Walton Group ad agency prepared most of the political advertising for Snow. And she claims she has nothing to do with the dirty-tricks advertisement.

The unmoderate advertisement characterized Orton as a bachelor with no family and lacking personal values.

Under a photo of Snow, his wife and six children, a caption read: "Karl Snow and his family." Under a mug-shot photo of Orton, a caption read: — "Bill Orton and his family."

The ad was published Sunday in the Utah County Journal, a free distribution tabloid that some saw as accommodating to Snow.

(See ORTON, Page A2)

Related stories inside

Democrats relish their gains

By The Associated Press

Democrats today celebrated their gains in Congress and the takeover of governors' offices in high-growth Sunbelt states. They swiftly proclaimed the midterm election results show "George Bush is extraordinarily vulnerable in 1992."

But Republicans also had victories to hold up, including the biggest prize of all as Pete Wilson kept the California governorship in GOP hands. The president's party also made inroads in the Northeast and industrial Midwest, electing governors in Michigan, Ohio, Minnesota and Massachusetts.

In an election framed by fear of recession and war, by unhappiness with taxes and politicians, governors of both parties took a beating. That wasn't true in the House and Senate, where most incumbents won and where the 102nd Congress will look a lot like the late, unlamented 101st.

"We've got a lot to smile about," said Democratic National Chairman Ron Brown as he surveyed the midterm returns on CBS' "This Morning."

Later, at a news conference, Brown made it clear he was taking dead aim on the 1992 presidential election and was determined to pursue the "fairness issue" Democrats used effectively this year.

"The American people are saying enough is enough," said Brown, reciting the now-familiar Democratic description of th[illegible] as a time when "[illegible]

(See ELECTION, P[illegible]

Utah County Election Results

3rd District



Herald Photo/Trent Nelson

after Snow's defeat.

9 7 0 4 3 8 3 0 0

Charges fly as Nov. 6 nears

■ The 3rd District congressional race continues to wallow in the mud as Karl Snow fends off another round of allegations.

LaVarr Webb
Contributing Editor

PROVO — Scott Norton, a Utah County grocer, claims Republican congressional candidate Karl N. Snow is a liar.

Snow says he's "mad as hell" and will no longer stand for such "self-serving and despicable" charges by his political opponents.

So goes the final two weeks of the 3rd District congressional campaign.

Snow, a long-time state senator and BYU professor and administrator, faces Democrat Bill Orton, a tax attorney, in the Nov. 6 election to fill the seat of retiring Republican Rep. Howard Nielson.

While Orton has been off campaigning with little fanfare, Snow has found himself facing attacks by a self-styled "citizens' group" called Utahns for Ethical Government.

The group, headed by Norton, has begun distributing a flier attacking Snow. The flier features articles written by Eric Schulzke that appeared in a small independent newspaper called the Student Review. Schulzke was a campaign worker for John Harmer, Snow's opponent in the bitter GOP primary election. Schulzke also is Harmer's second cousin once removed.

Mickey Cochran, a Harmer spokesman, said Schulzke is no longer associated with Harmer, and everything he is doing to date Snow he is doing of his own initiative.

Snow has accused Norton of being closely affiliated with Orton. Norton said he is not "a close personal friend" of Orton, although people who know both men say they have known each other for years. Orton said he resents Snow trying to blame him for the attacks.



Karl Snow

Norton's group scheduled a press conference last Wednesday, saying that several witnesses from around the country had been assembled "who will offer explosive new evidence that Karl Snow has lied to the press. . . ." Snow held a pre-emptive press conference of his own Tuesday, saying he was appalled and offended at the "below-the-belt political skullduggery" employed by the group.

Norton's group did not present any new evidence and essentially charged that Snow was more involved with a man named Michael Strand and with two companies named Unique Battery and Global Oil than Snow says he was. Norton claims that Snow has tried to distance himself from Strand and the companies when, in fact, he was heavily involved with them.

Norton admitted he had never talked to Snow personally about these matters, but

see **CHARGES** pg A-3

Snow calls for third investigation

PROVO — Republican congressional candidate Karl Snow has called for a third independent investigation into what he says comprises "scurrilous and fallacious attacks on my character and my record."

Snow issued the call Thursday, a day after a group known as Utahns for Ethical Government held a press conference in which Snow was accused of lying about his involvement in a failed business merger.

"During this campaign, there have been scurrilous and fallacious attacks on my character and my record," Snow wrote Thursday in a letter to state GOP Chairman Richard Snelgrove. "These pernicious allegations have been made for devious and misleading political reasons by convicted felons, known criminals, polygamists and other corrupt law breakers. They are deceptive and an offense to the voters of this district."

Snow asked Snelgrove to appoint an impartial judge to evaluate the latest round of allegations "in the interest of fairness and the dignity of the electorate."

Scott Norton, Utahns for Ethical Government spokesman, said his group welcomes further review.

"However, the study will only be relevant if it addresses questions of honesty and integrity, not merely criminal activity," he said. "Let's not confuse legality with ethics."

CHARGES

continued from pg. A-1

Snow personally about these matters, but relied upon Schulzke's articles.

In the Wednesday press conference, Norton said his group was not accusing Snow of doing anything illegal in connection with the companies or with Strand, only that Snow was more closely tied to them than he has been willing to admit.

However, an article written by Schulzke and distributed by Norton essentially accuses Snow of tax fraud. A number of investigations have cleared Snow, and no any government entity, including the IRS, is investigating possible tax violations. Snow has said some of the material written by Schulzke and distributed by Norton constitutes libel and slander, in addition to being "scathing and scandalous" and "without basis in fact."

Snow has also said that election laws have been violated if Norton is connected to the Orton campaign.

Snow has never denied being peripherally involved in the two companies or with Strand. In his Tuesday press conference, he said his relationship with Strand, a convicted stock swindler, began when his former LDS bishop asked him to help Strand by looking into a tax evasion case against Strand filed by the IRS.

He concluded that Strand had been dealt with unjustly in that case and he sought to have the case reopened and new evidence introduced.

"Michael Strand made a misstep in his life; in fact, it's now obvious he made several missteps — none of which I played a role in. For me to now be convicted of guilt by association is a cheap political ploy on my detractors' and Democratic opponent's part."

Snow said he invested in penny stock companies promoted by Strand but was not involved with him in the sense of being a business associate. He said he got out of the Unique Battery/Global Oil merger after being offered a directorship and 100,000 shares of stock when he discovered many people involved were polygamists. He said he lost about $20,000 in the process and that several other people lost money.

Snow has said Strand apparently misused his friendship by using his name to support projects. "Obviously, the fact is that my detractors have no leg to stand on other than my relationship with Michael Strand. He is someone with whom I looked beyond the bad and saw the potential. Yet, obviously, he is someone who was not willing to take the hand up, but instead bit that hand and misused the friendship and help I offered. Am I guilty of something because I adhered to a principle of helping someone that both my widowed mother and religion taught me?"

In the press conference called by Utahns for Ethical Government, Norton introduced three people who said they had personal knowledge that Snow was more involved in the two companies than he has acknowledged.

John Darger, who said he resented Snow revealing him as a polygamist, said he was an owner of Unique Battery and that he saw Snow meet with Strand many times. He said Strand arranged for Snow to be an officer of the company.

Percy Kalt, a former BYU music professor, said he invested in Global Oil/Unique Battery because Snow was involved. He said Snow gave the businesses credibility and led him to believe the investment was sound.

After Kalt lost his money, he fire bombed Strand's home and threatened to cut off the hand of Strand's daughter and mail it to Strand. He was convicted and served time in jail. He was also upset because Snow refused to testify on his behalf in court.

Herbert Gleason, a Florida salesman, said he invested in Unique Battery because others who were investing seemed credible, especially Snow. He said he understood that Snow had an official position in Strand's company and was heavily involved.

An independent group of attorneys looked into the Snow's dealings with Strand and the two companies and concluded there was "no indication of any illegal or improper conduct on the part of Mr. Snow."

Snow also engaged the independent accounting firm of Curtis S. Bramble, CPA, to investigate the allegations. Bramble and attorney Byron Smith concluded that Snow did nothing illegal or improper and that Snow's name was apparently used without his knowledge.

Bramble and Smith said they heard nothing new and still consider Snow an honorable person. They said some of the testimony presented by Darger and the others conflicted with their earlier court testimony.

9704383009092

Utah GOP attempts to close ranks in face of defections

Mike Carter
Associated Press Writer

SALT LAKE CITY — For the second time in three days, Utah Republicans called out the big guns in an effort to shore up what they worry may be an eroding constituency.

Gov. Norm Bangerter and Sens. Jake Garn and Orrin Hatch, the GOP's bulwark, called a news conference Saturday at noon in the governor's boardroom to voice support for 3rd Congressional District candidate Karl Snow.

Snow and Democratic tax attorney Bill Orton are locked in a bitter race to replace retiring four-term Rep. Howard Nielson, R-Utah. Nielson is the only congressman the district has ever had.

Also beginning Saturday, the Snow campaign began running endorsement radio spots by John Harmer, Snow's opponent in a vituperative primary that sparked party defections.

And the 3rd Congressional District is not alone in getting national party attention.

First Lady Barbara Bush visited Utah on Wednesday to endorse 2nd District hopeful Genevieve Atwood in her race against incumbent Wayne Owens — the only Democrat in the Utah congressional delegation.

On Sunday, Atwood is scheduled to get a good-luck call from none other than President Bush.

Like an "A" student whose grades inadvertently have slipped, Utahns are gently being reminded to shape up, buckle down and get back to the GOP basics.

On Thursday, the governor and two Utah senators joined Vice President Dan Quayle at an Orem rally to urge faithful Republicans to elect Snow in the face of fledgling GOP support for Orton.

On Saturday, barely 72 hours later, they gave an encore performance, this time at the state Capitol.

"It's my understanding that they've been asked, both nationally and locally by the party, to have this press conference," said Clark Caras, Snow's campaign manager. "Quayle's visit was a reminder to Utah that, 'Hey, you're Republican.'

"Karl is the GOP candidate and (Orton) is the Democrat, no matter what he says," Caras said.

Orton is a self-described conservative Democrat who claims to hold many Republican values.

Caras said Hatch approached Snow's campaign about the press conference during Quayle's visit.

"Hatch asked if we minded if he held the conference," he said. "We asked what it was about and he said it was to address Republican defections."

Party sources say officials are worried the "Republicans for Orton" movement might gain momentum in the waning hours before Tuesday's general election.

That, and a perceived meltsine among mainstream Republicans, could make the race closer than the party would like.

"I think the Orton thing has stirred some things up in the party," Caras said. "They're going to address it specifically."

State Republican Party Chairman Richard Snelgrove said the visits by the first lady and the vice president, and the back-to-back endorsements by state party heavyweights, are part of an effort to close ranks.

"Quayle helped shore that up, and I think (the) press conference is in response to our efforts to get people to come home to the party," he said.

Results of a poll released last month showed Snow with a comfortable 52-23 percent lead. However, a source, who spoke on the condition of anonymity, said party officials are concerned about a large undecided block and complacency among loyal members.

New polls are expected this weekend.

The concern is that the voting booth will be left to Democrats and Republican defectors, many who supported Harmer in the primary and were so disillusioned with that campaign that they sided with Orton.

Caras said the Snow camp hopes to combat those defections with radio endorsements by Harmer.

"Harmer came to us with the ads," Caras said. "He hasn't been behind any of the shenanigans" in the acrimonious Orton-Snow race.

An individual who answered the phone at Harmer's Lindon home said Harmer was in Boston and unavailable for comment.

Snow has been plagued by allegations of misconduct in his dealings with convicted stock swindler Michael Strand in the mid-1980s.

And lately, Orton has come under fire for a finding by the State Tax Commission that he "fraudulently evaded" paying Utah taxes on a luxury car he purchased in Oregon in 1982.

3rd Annual Diabetic Holiday Dinner
For Diabetics And Family Members
"A Thanksgiving Celebration"



Tuesday, November 13, 6 p.m.
UVRMC Clark Auditorium

Come and enjoy an evening of delicious food and take home the recipes to add to your diabetic recipe collection. Cost is $6.95 per person. You must RSVP and pay for the dinner by November 7, 1990. You may do this by mailing a check to the UVRMC Education Department (Education Department, UVRMC, 1034 North 500 West, Provo, Utah 84604) or by coming in person to the hospital cashier or Education Department (2nd floor, south side of hospital). Entertainment will also be provided. For additional information call 375-7176.

UTAH VALLEY REGIONAL MEDICAL CENTER
An Intermountain Health Care Facility

FIRST TIME EVER!
EYEGLASSES & SOFT CONTACTS INCLUDING EYE EXAM!
EYEGLASSES $69.99 For Both! CONTACTS OSI Daily Wear EYE EXAM Included
CONTACTS/EYEGLASSES
OSI DAILY WEAR SOFT AND EYE EXAM! $49.99
2 PAIR FRAMES & LENSES AND EYE EXAM! $49.99
LOOK YEARS YOUNGER!!
Branded "No Line" Bifocals $69.99
EYE EXAM!
All other brands of contacts from $X additional. Outside PO additional. Contact prices for new patients only. With purchase, contact exam $45. Eyeglass exam $25. Eyeglass options additional. Limited time only.
AMERICA'S BEST CONTACTS & EYEGLASSES
Midvale 561-1300 Orem 225-8500 Ogden 627-4424

Talk. Talk. Talk. Talk. Talk. For 30 Nights.



Sign up for a new Cellular One phone number on a mid-volume or high-volume rate plan and receive 30 nights of unlimited off-peak* air time.

But, that's not all! You'll also receive 30 days and nights of voice mail, call waiting, call forwarding, conference calling, free insurance and extended service.

So, talk all you want, almost anytime you wish, for 30 nights.

See your Cellular One representative for details. Offer expires until November 30, 1990. Call — and talk all you want to us today!

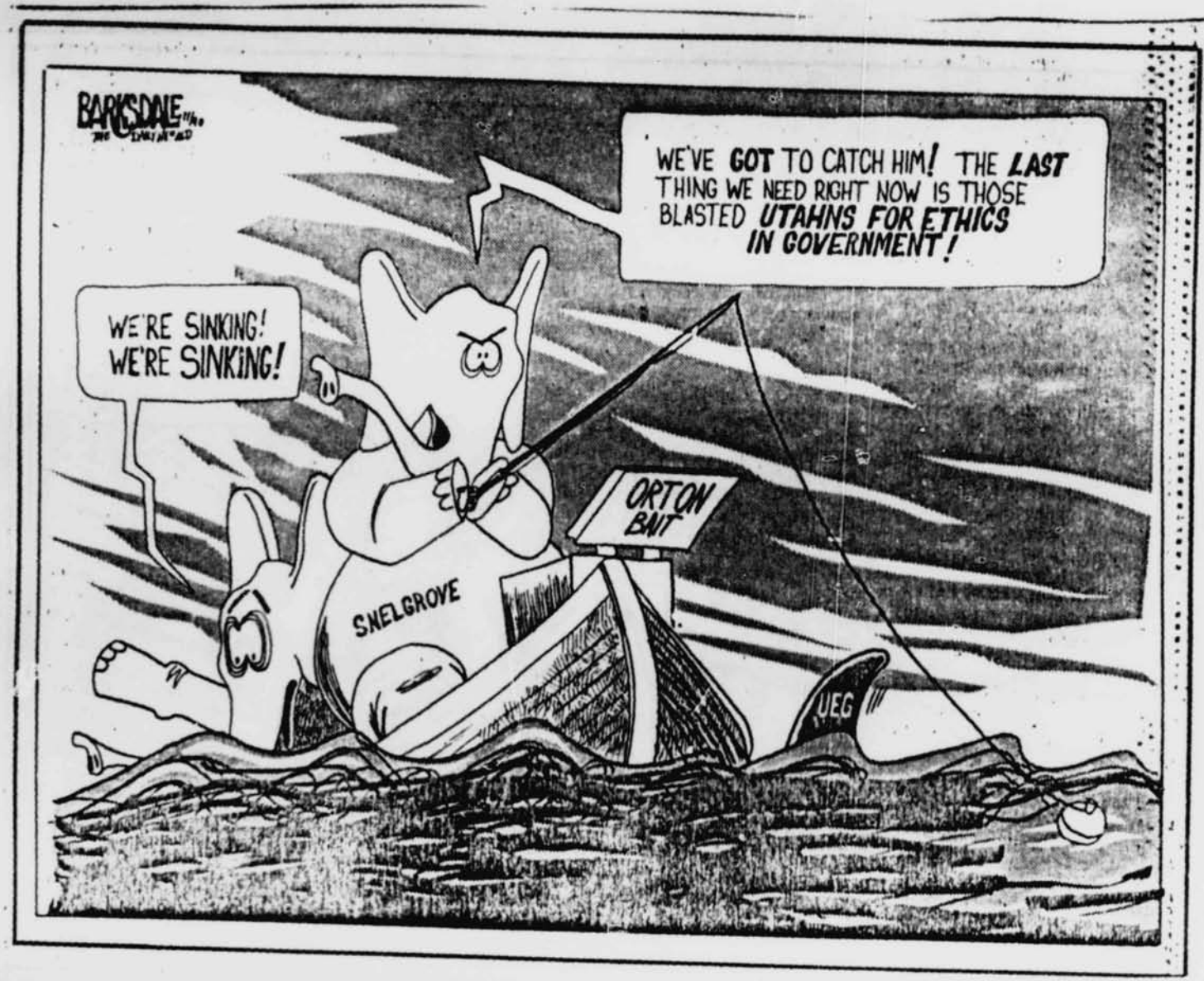
Salt Lake 710 E. 3300 S. 466-3111
Cellular One

No Extra Charge For Long Hair or Spiral Wraps
$32.95 Perms
Includes haircut & style



Senior Citizen $23.95 Perm Special
Debbie's Cuts & Styles
596-1055
561 E. 800 N. Orem

9/04/38300093



9704383009 4

Republicans turn out for Quayle visit

By PATRICK CHRISTIAN
Herald Staff Writer

Thursday was clearly a day of great consequence for well-connected Republican Congressional Candidate Karl Snow's political campaign.

A laudatory Vice President Dan Quayle flew into the Provo Airport saying, "I'm here for Karl Snow because we want him to be Utah's next congressman."

Asked how well he knew Snow, Quayle said he knew Snow through the assurances of Sens. Jake Garn and Orrin Hatch and took their word that Republicans should also support Snow for congress.

Quayle spoke at a press conference in a Rocky Mountain Helicopter hanger and after its conclusion shook hands with the helicopter workers.

Air Force Two landed around 2 p.m. in a light drizzle and Snow and his wife Donna walked out in the rain alone to meet Quayle.

(See VISIT, Page A2)



Herald Photo/David Dahl

Vice President Dan Quayle speaks as Karl Snow (right) looks on Thursday at Provo Airport during a news conference. In back are Sen. Jake Garn (left) and Sen. Orrin Hatch.

Exemptions allowed public release of tax case

HERALD STAFF REPORT

State tax commissioners relied on two exemptions within the Tax Commission Rules as authority for publicly discussing details of congressional candidate Bill Orton's tax fraud case.

The decision came last Friday at a meeting of commission spokeswoman Janice Perry and all four commissioners, Perry told The Daily Herald late Wednesday.

The key to the commission's decision to discuss the case was the discovery that Orton's case, unlike many, did not rest on information gleaned from his tax returns, Perry explained.

Utah state law (Sec. 59-1-403) orders commission workers not to " ... make known in any manner any information gained by him from any return filed with the commission."

Perry acknowledged that commission officials rebuffed reporters' early attempts to penetrate secrecy surrounding Orton's tax case. But they did it, she said, on the basis of what turned out to be a false assumption.

After turning aside reporters' questions, Perry related, commission workers pulled up the paperwork on Orton's case and realized that it did not involve information taken from Orton's tax returns — the kind of information that the commission is forbidden to discuss.

"Our initial assumption," Perry said, "was that this was an individual's income tax case and the state statute is very stringent about our ability to comment on such matters."

State laws governing what the commission can release are augmented by the commission's standing rules. Those rules spell out certain conditions under which the commission can choose to disclose

(See ORTON, Page A2)

9 7 0 4 2 8 2 0 0 5

cently released from custody only a few weeks ago. Strand's *modus operandi* is to control companies from the sidelines. Global Oil was no exception. In Global, Strand's wife, Lois, was the largest shareholder while Strand himself controlled the company. (The Strands, by the way, donated about $7,000 to Snow's 1984 campaign for governor.)

Unique Battery was a legitimate company with which our second figure, John Darger, was involved. Darger was directed to Strand by a bank officer when the company needed research capital. Strand became deeply involved with Unique, eventually attempting to merge it with his own Global Oil in 1985. Such mergers are a common stock manipulation in Unique. The merger fell through, and lawsuits and countersuits are still pending between the principals in the two companies.

The story is confusing, and it will probably take months for the media and the public to sort it out. However, the reader who keeps three things in mind will grasp the most significant points: (1) Mike Strand has been twice convicted of securities fraud—once before these events and once after. He was still on parole for his first conviction when these events took place. (2) Karl Snow has categorically denied any connection to Strand's businesses. (3) These events seriously disrupted the lives of many people.

Snow has emphatically denied involvement with Strand's companies, ever being an officer or a director in Global Oil, or even owning stock. Only recently has he admitted to owning a small amount of stock, but it seems even these admissions are inadequate.

In the August 20 *Deseret News*, Snow makes one of several emphatic dehials: "I never attended any board meeting of Global Oil. I never accepted any stock in that company, although it was offered. I haven't seen Michael Strand in four years and have had noth-

place.

• Darger said he has been present many times with Strand and Snow together in meetings. Snow, Darger says, generally treated Strand deferentially during these meetings.

• Atlas Stock Transfer reports show Snow holding stock in '85, '86, and '87. One report shows six different stock transactions involving Snow over an eighteen month period. The reports show additional stock issued to Snow's mother, Wanda, and to his son, Rodney. Snow initially denied owning any stock, but he since admitted to buying about 11,000 shares. The Atlas report shows Snow with 117,500 shares in his name and and an additional 5,666 for his mother and his son. Snow suggests that the stock was held without his knowledge. This is conceivable but highly unlikely, especially since the SEC requires frequent reporting of stock transactions *and each report lists Snow's current Provo address.*

• As late as 1988—after Strand's second securities fraud conviction—records show that Snow's 100,000 shares of Global Oil stock were transferred to M & L Investments, another Strand company. M & L likely stands for Michael and Lois, as in Michael and Lois Strand.

Obfuscations and Deflections

• Snow claims that he was never an officer, a director, or a shareholder in these companies. However, court documents and company minutes list him as a vice president, a director, and a shareholder in Global Oil and/or Unique Battery. Snow says, accurately, that he was never registered as a director or an officer with the state. But in fact, the corporation was suspended for failing to register its officers over a lengthy period—precisely the period during which Snow apparently was an officer. The corporation filed with the state in January of 1985, and Snow was elected an officer on February 25 of that year. Finally, in

and there was no motive to forge it. Snow's actual signature appears on an agreement for the planned merger of Unique and Global.

• Snow points out that he was not named in a suit involving Global and Unique. But also missing from the list was Lois Strand, the largest shareholder. Obviously, being excluded from that list says nothing about the extent of a person's involvement with Strand.

• When asked about the documents showing Snow's involvement, Strand has claimed that Darger frequently forged prominent names. But this answer is untenable given that one of the documents, showing Karl Snow sandwiched between the now deceased Lyman Smart and Lois Strand, was an interrogatory prepared by Strand and his secretary—not by John Darger.

• Snow has carefully spoken in terms of physical presence: "I have not *seen* Strand for over four years." "I did not *attend* board meetings," etc. Darger confirms that, indeed, Snow was sometimes *not* present at the meetings. But Darger says Strand usually had Snow on the telephone during such occasions, relating the proceedings to him as the meeting progressed.

Observations

1) *It's difficult to avoid concluding that Karl Snow has misrepresented the facts.* The only other explanation would be that he

taken lightly.

6) *Utah's media are either lazy or understaffed.* Many newspapers and television stations have had these very documents for months. Yet most have failed to make the most elementary deductions.

7) *Only the full truth will do.* The Strand connection is not a petty matter because Michael Strand is not a petty thief. Aware that articles including this one were in the works, Snow finally asked a CPA and a lawyer to look into the matter last week. These investigators should take care lest they find themselves defending the indefensible.

8) *Karl Snow is asking the voters to trust him.* He may be asking too much. Δ

Campus Venture

PRESENTS

The Lion's Den will be viewing six video presentations by popular campus speaker Josh McDowell. There will be discussion after the presentation.

TIME: Friday, 8:00
PLACE: Wilkinson Center, Room #301

October
Josh McDowell set out on an intellectual adventure determined to prove that christianity was a hoax. After 2 years of intensive study he emerged a man deeply commited to Christ, a man able to give solid evidence of his faith, and a man ready to share those answers with others.
12- A Skeptic's Quest
It's okay to have doubts, to have questions regarding your faith. Josh shares how questioning actually strengthened his faith and brought him to a deeper knowledge and understanding of the scriptures.
19- Misconceptions of Christianity, Part I
26- Misconceptions of Christianity, Part II

November
The Uniqueness of the Bible
The Reliability of Scripture
Messianic Prophecy

CAMPUS VENTURE IS AN INDENOMINATIONAL CHRISTIAN GROUP

Notation
Copy

In September, he ran on "integrity." By November, he may be running on empty.

The Questionable Karl Snow

ANALYSIS by Eric Sch[illegible]

A BYU administrator and congressional candidate has had close ties to a convicted felon. His denials in the face of substantial evidence raise serious questions.

Records have come to light in recent weeks indicating that BYU Administrator and Congressional Candidate Karl Snow appears to have misrepresented his connections to convicted felon Michael Strand, Global Oil, Unique Battery, and a penny stock deal that probably cost one life and seriously disrupted the lives of others.

At present, there are more questions than answers. But the gravity of the questions combined with the lack of answers should concern every voter in the Third Congressional District.

This writer initially came across the documents as a volunteer for Snow's opponent in the primary. The allegations and the documents themselves were brought to light by various individuals who had been involved with the stock transactions outlined below.

The Players

The main figure in this confusing narrative is Michael Strand, a stock manipulator twice convicted for securities fraud and most recently sentenced to 10 years in prison. Strand's partner in crime was Jeffrey Dorsey Darger, who was also convicted of securities fraud and is now serving a 5-year sentence.

Darger has been the source of most of the information about Strand's activities. Darger claims that Strand was a "genius" at manipulating penny stocks and that he learned a lot from him. Darger has also provided numerous documents to substantiate his claims.

Strand has denied Darger's allegations, saying that Darger was "a liar and a thief" and that he had "nothing to do with his companies." A more complex picture has begun to emerge, however.

Deep and Broad Connections

- Darger's sworn affadavit in court files indicates that he was president of Unique Battery when he was introduced to Michael Strand as a man who could supply research capital. Darger has since said that Strand, in turn, introduced him to Snow. Strand described Snow to him as a person of "influence" who could get things done. Darger says that it was at Strand's urging that Snow was made a director of Unique and later of Global Oil.
- Stock reports and interrogatories indicate that only a few people received free stock in Unique Battery. At least two, a banker and a legislator, may have received stock for lending credibility, or, as an Atlas interrogatory puts it, "for separate and additional consideration other than the reorganization of Unique Battery." The banker, Lyman Smart, apparently committed suicide several months after the merger fell through. The legislator was Karl Snow.
- There is good reason to believe that Snow was instrumental in securing Strand's parole from prison after his first conviction. Keep in mind that Strand was still on parole for a fraud conviction when these events took place.
- Snow says that he has never manipulated penny stock and wouldn't even know how to do it. But that is beside the point. At the moment, the question concerns his close association with Strand and the possibility that Snow may have lent his credibility to the arrangements.
- Snow pointed out to us that some of the documents spell his name with a "C" rather than a "K." In fact, the Secretary-Treasurer, Ronald Sorth, did spell Snow's name with a "C" when he (Sorth) resigned from the company. In his resignation letter, Sorth notes that he sent a copy to "Carl Snow, V.P." Sorth was likely responsible for the company's minutes, and the misspelling in his letter would thus be consistent. However, Snow's name is spelled correctly in the stock reports and numerous other documents.
- Snow claims that his signature has been forged on these documents. Of the two signed documents in this writer's possession, one is probably not in Snow's hand, while the other almost certainly is. The "forged" signature may have been signed with Snow's approval, [illegible] d [illegible] 's mid-1986, the corporation was suspended for failure to file a report. The fact that Snow is not listed with the state in itself raises questions of impropriety. In any case, he could still have functioned as an officer during that period.

9 7 0 4 3 8 3 0 0 7

is exceedingly inept, but even [illegible] requires more faith and charity than the [illegible] allows. Even if he had done nothing [illegible], such apparent misrepresentations on the part of a public figure would be cause for concern.

2) *The array of documents is impressive.* When we asked Snow about the documents, he said that they were "fraudulent." But most of them are in court files, and they stem from a variety of sources: interrogatories prepared by Strand, resignations of officers, sworn affadavits, stock transfer reports, etc.. It is highly unlikely that they are phony. Mark Hoffman himself would have had a hard time fabricating this one.

3) *In light of the documentary evidence, Strand's and Snow's denials are simply not credible.* On the other hand, Darger's statements are plausible and consistent with the evidence already in court files.

4) *Public figures rarely risk such [illegible] statements unless the stakes are high.* If Snow does not promptly offer explanations, people may suspect that he is hiding something for a reason.

5) *It is in everyone's interest to investigate this matter thoroughly.* Utah is already known as the fraud capitol of America. Given that reputation, any degree of involvement in such matters on the part of public figures cannot be taken lightly.

6) *Utah's media are either lazy or understaffed.*

L'ISLE DE GILLIGAN

BY BRIAN MORTON



Editor's Note: The following *étude* originally appeared in the journal *Dissent* (Summer 1990) under the title "How Not To Write for *Dissent*."

The hegemonic discourse of postmodernity valorizes modes of expressive and "aesthetic" praxis which preclude any dialogic articulation (in, of course, the Bakhtinian sense) of the antinomies of consumer capitalism. But some emergent forms of discourse inscribed in popular fictions contain, as a constitutive element, metanarratives wherein the characteristic tropes of consumer capitalism are subverted even as they are apparently affirmed. A paradigmatic text in this regard is the television series *Gilligan's Island*, whose seventy-two episodes constitute a master-narrative of imprisonment, escape, and reimprisonment which eerily encodes a Lacanian construct of compulsive reenactment within a Foucaultian scenario of a panoptic social order in which resistance to power is merely one of the forms assumed by power itself.[1]

> GILLIGAN HIMSELF REPRESENTS THE TRANSGRESSIVE POTENTIALITIES OF THE DECENTERED EGO.

The "island" of the title is a pastoral dystopia, but a dystopia with a difference—or, rather, a dystopia with a *différance* (in, of course, the Derridean sense), for this is a dystopia characterized by the free play of signifier and signified. The key figure of "Gilligan" enacts a dialectic of absence and presence. In his relations with the Skipper, the Millionaire, and the Professor, Gilligan is the repressed, the excluded, The Other. He is the id to the Skipper's Ego, the proletariat to the Millionaire's bourgeoisie, Caliban to the Professor's Prospero.[2] But the binarism of this duality is deconstructed by Gilligan's relations with Ginger, the movie star. Here Gilligan himself is the oppressor. Under the male gaze of Gilligan, Ginger becomes the Feminine as Other, the internalization of a "self" that is wholly constituted by the linguistic conventions of phallocratic desire. Keeping in mind, of course, Saussure's caveat *par* in distinction, That Ginger is identified as a "movie star" even in the technologically barren confines of the desert island foreshadows Debord's concept of the "society of the spectacle," wherein events and "individuals" are reduced to simulacra.[3] Indeed, we find a stunningly prescient example of what Baudrillard has called the "depthlessness" of America in the apparent "stupidity" of Gilligan and, indeed, of the entire series.[4]

The eclipse of linearity effectuated by postmodernity, then, necessitates a new approach to the creation of modes of liberatory/expressive praxis. The monologic and repressive dominance of traditional "texts" (i.e., books) has been decentered by a dialogic discourse in which the "texts" of popular culture have assumed their rightful place. This has enormous implications for cultural and social theory. A journal like *Dissent*, instead of exploring the question of whether socialism is really dead, would make a greater contribution to postmodern discourse by exploring the question of whether Elvis is really dead. This I hope to demonstrate in a future study.

Brian Morton is the book review editor of Dissent *and the author of a forthcoming novel from HarperCollins.*

Footnotes

1. Gilligan himself represents the transgressive potentialities of the decentered ego. See Georges Thibault, *Jouissance et Jalousie dans L'Isle de Gilligan*, unpublished thesis on file at the Ecole Normale Supérieure (St. Cloud).
2. *Gilligan's Island* may be periodized into an early, Barthesian phase, in which most episodes ended with an exhibition of Gilliganian *jouissance*, and a second phase whose main inspiration is apparently that of Nietzsche, via Lyotard. The absence of any influence of Habermas is itself a testimony to the all-pervasiveness of Habermas's thought.
3. The 1981 television movie *Escape from Gilligan's Island* represents a reactionary attempt to totalize what had been theorized in the series as an untotalizable heteroglossia, a *bricolage*. The late 1970s influence of the Kristevan semiotic needs no further comment here.
4. Why do the early episodes privilege a discourse of metonymy? And what of the title—*Gilligan's Island*? In what sense is the island "his"? I do not have the space to pursue these questions here, but I hope to do so in a forthcoming book.

FEDERAL ELECTION COMMISSION
999 E Street, N.W.
Washington, D.C. 20463

SENSITIVE

FIRST GENERAL COUNSEL'S REPORT

RECEIVED
F.E.C.
SECRETARIAT
92 OCT -7 AM 8:31

MUR # 3192
DATE COMPLAINT RECEIVED
BY OGC: November 29, 1990
DATE OF NOTIFICATION TO
RESPONDENTS: December 10, 1990
STAFF MEMBER Craig D. Reffner

COMPLAINANT: Sheldon Bradshaw

RESPONDENTS: The Honorable William H. Orton,
United States House of Representatives
Orton for Congress and
Steven R. Schone, as treasurer[1]
The Student Review
Utahns for Ethical Government and
Scott Lee Norton, as treasurer
Republicans for Orton and
Jacqueline F. de Gaston, as treasurer
Peggy Fugal

RELEVANT STATUTES: 2 U.S.C. § 433
2 U.S.C. § 434
2 U.S.C. § 441a
2 U.S.C. § 441b
2 U.S.C. § 441d

INTERNAL REPORTS CHECKED: Disclosure Materials

FEDERAL AGENCIES CHECKED: None

9704383009 9

I. GENERATION OF MATTER

This matter arose by a complaint filed by Sheldon Bradshaw challenging the activities undertaken by various groups and individuals during Utah's 1990 Third Congressional District Election. According to the complainant, The Student Review, the Utahns for Ethical Government, the Republicans for Orton and

1. At the time the Respondents were notified of the complaint in this matter, Spencer E. Taylor was the treasurer of Orton for Congress. He subsequently resigned and Steven R. Schone became the Committee's current treasurer.

Peggy Fugal each made expenditures in excess of $1,000 opposing Karl Snow, the Republican candidate in the general election, but failed to register and report with the Commission. 2 U.S.C. §§ 433 and 434. The complainant further alleges that Respondents did not make their respective expenditures independently, but in coordination with William Orton, Mr. Snow's Democratic opponent.[2] Responses have been received.[3]

I. FACTUAL AND LEGAL ANALYSIS

A. Summary of Complaint

According to the complainant, Eric Schulzke, the editor of The Student Review ("Review"), wrote a series of articles over a three week period "attacking and slandering Mr. Snow's honesty, character, and declaring that Mr. Snow was guilty of stock fraud." The complainant further alleges that the Utahns for Ethical Government ("Utahns") publicized these articles through radio announcements, three full-page newspaper advertisements and a "special 'tabloid,'" which appeared as an insert in at least twelve weekly newspapers. With regard to the Republicans

9704383010

---

2. A review of Commission materials shows that William Orton prevailed over his opponent, Karl Snow, in the November 6, 1990, general election; Mr. Orton received 58% of the vote, while Mr. Snow received only 36%. This complaint was filed after that election and the complainant, according to at least one Respondent, was a campaign worker with the Snow campaign.

3. This Office mailed a copy of the complaint to each individual identified by the complainant as a member of either the Utahns for Ethical Government or the Republicans for Orton. Responses were received from a representative of each of these organizations as well as from the various other Respondents. Attachments A-I. In addition, this Office received a letter from the complainant, requesting that his complaint be amended to exclude some of the individuals he previously identified. Attachment J.

for Orton ("RFO"), the complainant alleges that this group printed hundreds of banners and stickers reading "Republicans for" and then placed them on existing "Orton for Congress" campaign materials. The complainant further alleges that RFO also made expenditures for newspaper advertisements and that one of the advertisements requested people to protest at Karl Snow's campaign rally, to which the leaders of RFO had purportedly arranged transportation for high school students to attend. Finally, the complainant alleges that Peggy Fugal paid for two newspaper advertisements attacking Mr. Snow.

In support of his allegation that these expenditures were coordinated with William Orton's campaign, the complainant points to a variety of factors. For example, the complainant alleges that Eric Schulzke, the author of the articles concerning Karl Snow, worked on William Orton's campaign, assisted the Utahns with their expenditures and was also a member of RFO. The complainant further asserts that the articles authored by Mr. Schulzke served as campaign literature for Mr. Orton. He specifically alleges that copies of these articles were displayed at Mr. Orton's campaign office and distributed by his campaign workers. In a similar vein, the complainant alleges that William Orton attended meetings held by RFO and that Scott Norton, Mr. Orton's "long time friend" and the "leader" of the Utahns, asked Mr. Orton how "he might help" distribute the news articles from the Review. In addition, the complainant asserts that the materials purportedly prepared by the Utahns were provided to Mr. Orton's campaign as well as to

9704383011

RFO and subsequently distributed during Karl Snow's political rally by the members of the Utahns as well as campaign workers for William Orton and RFO. Finally, the complainant alleges that Peggy Fugal "possibly" assisted the Utahns in the preparation of their newspaper advertisements attacking Karl Snow.

B. Review of Responses

A review of the responses confirms that Respondents made many of the expenditures alleged by the complainant. However, Respondents challenge the complainant's allegation that they failed to disclose their activities with the Commission as well as his allegation that they made their expenditures in coordination with Mr. Orton's campaign. For example, Eric Schulzke acknowledges that the Review published the articles he authored concerning Karl Snow and copies of four separate newspaper articles purportedly published in the Review on October 3, 10, 17, and 24, 1990, have been provided. Attachments A at 1 (Schulzke's response) and B at 9-15 (articles in Review). A chronological review of these articles shows that the first three are labeled as "commentary" or "analysis" and concern Karl Snow's involvement in a local-stock fraud matter, while the fourth is identified as Mr. Snow's response to the allegations made against him. Attachment B at 10-15 (articles authored by Eric Schulzke) and 9 (Mr. Snow's response). Mr. Schulzke states, however, that he was "never in any capacity whatsoever connected either with Republicans for Orton or the Orton campaign" and does not know where his articles were

9704383010 2

distributed. Attachment A at 1-2.

Similarly, Scott Norton, who identifies himself as the official spokesperson for the Utahns, acknowledges that Mr. Schulzke's articles were publicized through radio advertisements, newspaper "display ads" and a "special tabloid," as alleged by the complainant. Attachment B at 2-3. However, he states that the Utahns disclosed their activities to the Commission. Id. In addition, he denies being Mr. Orton's "long time" friend, as the complainant alleged, explaining that the two attended the same church from 1982-1985. Id. He also states that the members of the Utahns closely controlled their campaign materials, which he denies were provided to either Mr. Orton's campaign or RFO. Id.

In their responses, Jacqueline F. de Gaston, who identifies herself as the treasurer of RFO, and George Murdock, who identifies himself as a member of RFO, also acknowledge that various expenditures were made towards banners and stickers reading "Republicans for," which were added to Mr. Orton's existing campaign materials. Attachments C (Ms. de Gaston) at 1 and D (Mr. Murdock) at 1. However, they deny making expenditures toward newspaper advertisements or providing transportation for anyone to attend Karl Snow's political rally. Attachments C at 1 and D at 1-2. In addition, Mr. Murdock specifically denies that William Orton attended any of RFO's meetings and states that the members of RFO did not act "'in concert'" with any of the other groups. Attachment D at 2-3.

9704383013

In her response, Peggy Fugal similarly acknowledges that she wrote, produced, placed and paid for "one (not two as Mr. Bradshaw alleges) full-page anti-Karl Snow newspaper ad." Attachment E at 1 (emphasis in original). However, she asserts that she disclosed this expenditure with the Commission. Id. She explains that she campaigned against Mr. Snow because he purportedly failed to pay her for advertising services she provided to him in connection with his earlier, unsuccessful gubernatorial campaign. Id. According to Ms. Fugal, Mr. Snow repeatedly denied owing her money in the press, which "slandered my [Ms. Fugal's] good name and reputation in the process." Id. In addition, although she acknowledges assisting the Utahns with their media campaign, she denies acting "in concert with Utahns for Ethical Government, Republicans for Orton, and/or Bill Orton." Id. She explains that she is self-employed and that she was hired to assist the Utahns in a professional capacity through her advertising agency, Fugal & Fugal, Inc. Id.

Lastly, William Orton, in a response filed on behalf of himself and his principal campaign committee, Orton for Congress and its treasurer, also challenges the complainant's allegation of coordination, specifically arguing that the expenditures at issue in this matter are "'independent expenditures'" under the Act. Attachment F. With regard to the Review, he asserts that neither he nor his campaign committee had any control over this newspaper and that his campaign did not use the newspaper articles concerning Karl Snow as campaign literature. Id. at 1.

9704383014

He further states that Eric Schulzke was "not a paid or volunteer Orton campaign worker, was not affiliated with the Orton campaign, and acted completely independently." Id. at 2. He similarly states that he "did not coordinate, control, suggest, recommend, or influence the actions of [Scott] Norton or [the Utahns], and in fact refused any involvement with or any comment on the actions of [the Utahns] . . . ." Id. With regard to RFO, he states that the members of this group acted without his authorization when they placed banners over his campaign materials. Id. at 3. He asserts that he requested that they refrain from doing so and "remove [the] banners placed on signs in locations outside the properties owned by [the group's] members." Id. Finally, Mr. Orton states that Ms. Fugal acted on her own, asserting that he "never met Miss Fugal and had absolutely no contact with her" prior to the election. Id.

C. **Analysis**

Despite their denial of the complainant's allegation of coordination, it appears that the independence of certain expenditures made by RFO and the Utahns may be impaired. In addition, although Respondents assert that they complied with the Act's registration and reporting requirements, it appears a number of reporting violations occurred here. Lastly, a review of the available information, including the public record, raises additional concerns not alleged by the complainant.

9704383105

1. Coordination in Expenditures

Under the Act, expenditures made in coordination with a candidate's campaign are in-kind contributions to that candidate and contributions, whether made in monetary form or in-kind, are subject to limitations. 2 U.S.C. § 441a(a). Independent expenditures, however, are not limited. 2 U.S.C. § 441a(a)(7)(B)(i). An independent expenditure is defined as:

> an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate or agent of such candidate.

2 U.S.C. § 431(17). 11 C.F.R. § 109.1(a).

The Commission's regulations define "made with the cooperation or with the prior consent of, or in consultation with, or at the request or suggestion of, a candidate" to mean any arrangement, coordination, or direction by the candidate or his or her agent prior to the publication, distribution, display, or broadcast of the communication. 11 C.F.R. § 109.1(b)(4)(i). The Commission's regulations further provide that an expenditure will be presumed to be so made when it is:

> (A) Based on information about the candidate's plans, projects, or needs provided to the expending person by the candidate, or by the candidate's agents, with a view toward having an expenditure made;
>
> (B) Made by or through any person who is, or has been, authorized to raise or expend funds, who is or has been, an officer of an authorized committee, or who is, or has been, receiving any form of compensation or reimbursement from the candidate, the candidate's committee or agent.

Id.

9704383010 6

According to the complainant, Mr. Orton attended RFO's meetings. Although Mr. Murdock, an RFO member, denies this allegation he acknowledges that he invited Mr. Orton to his home to meet "about 50 close friends and associates." Attachment D at 1. He states that approximately ten days before the election he decided to vote for Mr. Orton and held this "meet the candidate meeting" to help Mr. Orton's "'come-from-behind'" campaign. Id. at 1. He explains, however, that he had not been involved with RFO before this meeting. Id. In fact, he states that it was at the conclusion of this meeting that he met Mike Schnabel, who "had only recently organized a group called 'Republicans for Orton' . . . . [and] had heard about the meeting and decided to come." Id. Mr. Murdock states that he also met Jacqueline de Gaston, who "was helping with [RFO's] efforts." Id. In his response, Mr. Orton acknowledges that he accepted an invitation to speak at Mr. Murdock's home as well as the home of Doug Marriott, whom he identifies as "another prominent Republican." Attachment F at 2. Mr. Orton states that the purpose of each of his visits was to make a "political speech" and respond to "questions on political issues." Id. He asserts that he "did not discuss expenditures of any money on behalf of the Orton campaign" in either instance. Id.[4]

9704383107

---

4. Mr. Orton's use of Messrs. Murdock's and Marriott's homes would not appear to be a contribution, as the Act specifically excludes from the definition of contribution the use of real or personal property voluntarily provided by an individual to any candidate for candidate-related activities, to the extent that the cumulative value of the invitations, food, and beverages provided by the individual does not exceed $1,000 with respect to any single election. 2 U.S.C. § 431(8)(B)(ii). Although we

A review of the available information shows that Mr. Orton's visit to Mr. Murdock's home appears to have served as a catalyst for RFO's activities. At least two members of RFO were present when Mr. Orton spoke at Mr. Murdock's home, including Mr. Schnabel, who purportedly organized RFO, and Ms. de Gaston, who has identified herself as the treasurer of RFO. Attachment C. In addition, in his response, Mr. Murdock explains that he became involved with RFO immediately after Mr. Orton spoke at his home, and in his response, Mr. Orton identifies Mr. Murdock as the individual he contacted when he requested that the members of RFO refrain from altering his campaign materials. Compare Attachment D at 1 with Attachment F at 3.

The responses, however, do not paint a complete picture of this event or of the participants' contacts with each other. It is unclear, for example, how the members of RFO learned that Mr. Orton would be speaking at Mr. Murdock's home if Mr. Murdock only invited about "50 close friends and associates." Attachment D at 1. Similarly, Mr. Murdock states that he became involved with RFO after Mr. Orton's visit, yet it was he who Mr. Orton called to discuss RFO's activities, which suggests there may have been other communications between the candidate and the members of RFO, including Mr. Murdock. Finally, it is

9704383010 8

(Footnote 4 continued from previous page)
do not know the actual cost associated with Mr. Orton's appearance at the two homes in question, it appears that his visit to Mr. Murdock's home was limited to a group of "about 50 [of Mr. Murdock's] close personal friends and associates." Attachment D at 1.

unclear what actually was said during Mr. Orton's "political speech" and in his responses to "questions on political issues." In short, the information presently available gives rise to the inference that Mr. Orton may have conveyed information about his campaign needs or plans to the members of RFO so as to impair the independence of that group's expenditures.

The available information also shows that the Utahns similarly may have made expenditures based upon information about Mr. Orton's campaign plans or needs, conveyed by his campaign, with a view toward having the expenditures made. Indeed, in his response, Mr. Norton states that after he read the first article concerning Karl Snow's involvement in a local stock-fraud matter, in the October 3, 1990 Review, he called Mr. Orton and "urged him to expose the less than savory aspects of Mr. Snow." Attachment B at 2. According to Mr. Norton, however, Mr. Orton "not only declined to become involved with this issue, he stressed that he would not be associated with any campaigning of this sort and that he would fire anyone from his campaign staff that was in any way involved with this issue." Id. Mr. Norton states that after he contacted Mr. Orton, he then called Eric Schulzke, the author of the article, and "asked him if he would like to have his work published in a broader format." Attachment B at 2. Mr. Norton explains that it was not until after Mr. Schulzke's third article concerning Karl Snow was published that the two met, formed the Utahns and developed a media campaign resulting in the Utahns' expenditures. Id. In his response, Mr. Orton, who

9704383010 9

categorically denies any coordination with the Utahns, neither confirms nor denies speaking with Mr. Norton. Attachment F.

Based upon the responses, it appears that Mr. Norton formed the Utahns and made numerous expenditures based upon the articles in the Review after he spoke with Mr. Orton. The details of their conversation are not known and it is unclear whether Messrs. Norton and Orton discussed anything else about the election beyond Mr. Snow's alleged involvement in a stock-fraud matter. However, Mr. Orton's expressed refusal to become involved in publicizing the allegations against Mr. Snow may have conveyed the message that Mr. Norton should undertake this activity, so as to taint the independence of the Utahns' expenditures.

The complainant also alleged that the Review and Peggy Fugal made their respective expenditures in coordination with Mr. Orton's campaign. In the case of the Review, however, Messrs. Schulzke and Orton deny that Mr. Schulzke was involved in Mr. Orton's campaign and there is no indication that Mr. Orton conveyed any information to Mr. Schulzke about his campaign plans or needs. Attachments A at 1 and F at 1. Likewise, Ms. Fugal asserts that she did not meet Mr. Orton until the evening of the election and in his response, Mr. Orton confirms that "[p]rior to the election . . . [he] had absolutely no contact with Miss Fugal." Attachments E at 1 and F at 3. Although it does not appear that Mr. Schulzke or Ms. Fugal were in contact with Mr. Orton, they both acknowledge assisting Mr. Norton with the Utahns' expenditures and both were

9704383011 0

apparently in contact with Mr. Norton before Mr. Schulzke's second and third articles concerning Karl Snow were published in the Review or Ms. Fugal's newspaper advertisement was placed. Attachment A at 1 and E at 1. Accordingly, the independence of Ms. Fugal's newspaper advertisement and of the Review's articles may have been impaired.

2. **Reporting Violations**

In addition to his allegations of coordination, the complainant alleged that the Respondents should have registered and reported with the Commission. Under the Act, all political committees must file a statement of organization within ten days after becoming a political committee and thereafter must submit reports to the Commission on a scheduled basis disclosing all contributions received and expenditures made. 2 U.S.C. §§ 433 and 434. The Act defines a "political committee" as any committee, club, association, or other group of persons which receives contributions or makes expenditures aggregating in excess of $1,000 during a calendar year. 2 U.S.C. § 431(4).

Under the Act, expenditures made in coordination with a candidate's campaign are considered in-kind contributions to that candidate and must be disclosed as such by that candidate's authorized campaign committee. 2 U.S.C. § 434(b). In addition, such expenditures must be correctly reported by the political committee making them. Id. Independent expenditures, however, need only be disclosed on behalf of the candidate for whom the independent expenditures are being made, either as itemized expenditures, if in excess of $200 in a calendar year, or

9704383011

unitemized expenditures, if not in excess of $200 in a calendar must. 2 U.S.C. § 434(b)(6)(B)(iii). If the person making the independent expenditures does not qualify for reporting obligations as a political committee and the independent expenditures are in excess of $250, then the expenditures must be reported by letter or other communication to the Commission as an "independent expenditure" on behalf of that candidate or candidates. 2 U.S.C. § 434(c). 11 C.F.R. § 109.2(a).

a. Utahns for Ethical Government

In his response, Mr. Norton asserts that the Utahns "registered" with the Commission and a review of the public record confirms that the Utahns filed a statement of organization on November 14, 1990, and a single disclosure report on November 23, 1990, showing that $11,452.68 in expenditures were made during the 1990 election. Attachment C at 5. A review of this disclosure report, however, shows that the Utahns apparently made expenditures in excess of $1,000 on October 26, 1990. Thus, it appears that the Utahns failed to file a statement of organization on a timely basis. 2 U.S.C. § 433. In addition, the Utahns reported their expenditures as independent expenditures made in opposition to Karl Snow's candidacy. Since the available information shows that the Utahns' expenditures may actually be in-kind contributions to William Orton's campaign, it appears that these expenditures were improperly disclosed. 2 U.S.C. § 434(b)(6)(B)(i).

In addition, in his response Mr. Norton provided copies of campaign materials purportedly prepared by the Utahns.

9704383011 2

Attachment B at 16-19. A review of these materials shows that they clearly advocate the defeat of Karl Snow and include the following disclaimer: "This publication is the product of the Utahns for Ethical Government, a non-partisan, independent, citizen group." Attachment B at 19. Under the Act, whenever a person makes an expenditure, independent or otherwise, for a communication through general public political advertising, which expressly advocates the election or defeat of a clearly identified candidate, the communication must state who paid for the communication and, if not paid for by a candidate or an authorized candidate committee, must state whether the communication was or was not authorized by such candidate or candidate's committee. 2 U.S.C. § 441d(a). 11 C.F.R. § 109.3. See also 11 C.F.R. § 110.11(a)(1). The disclaimer in the Uthans' materials, however, does not clearly state that they were paid for by the Utahns and whether they were authorized by any candidate. Accordingly, it appears that the Uthans failed to comply with the requirements of Section 441d(a).

9704383011 3

b. **Republicans for Orton**

In the case of RFO, a review of the public record shows that this group did not file a statement of organization or otherwise disclose its activities with the Commission. In their responses, Ms. de Gaston and Mr. Murdock flatly deny that RFO's expenditures exceeded $1,000 and the itemization of RFO's activity provided by Ms. de Gaston discloses only $826.39 in expenditures. Attachments C at 1 (de Gaston) and D at 1 (Murdock). In this regard, it does not appear that RFO crossed

the Act's threshold for political committee status.

c. Student Review

With regard to whether the Review failed to register and report its expenditures with the Commission, the Act excludes from for the definition of "expenditure," any news story, commentary, or editorial distributed through the facilities of any newspaper, magazine, or other periodical publication. 2 U.S.C. § 431(9)(B)(i). In addressing this issue, the Commission has noted that the press exemption turns on two issues: "'whether the press entity is owned by the political party or candidate and whether the press entity was acting as a press entity in making the distribution....'" AO 1982-44, 1 Fed. Elec. Campaign Fin. Guide ¶ 5691 (quoting Readers Digest Association, Inc. v. Federal Election Comm'n, 509 F. Supp. 1210 S.D.N.Y. (1981)).

According to the complainant, the articles in the Review were "'political attacks'" which cannot be justified as "'news stories'" under the Act. In his response, however, Mr. Schulzke challenges the complainant's characterization of the articles he authored, noting that they only raised the possibility of tax fraud and were clearly marked as "commentary" or "analysis." Attachment A at 1. In addition, in his response, Mr. Orton asserts that his "campaign had absolutely no administrative control over or any financial affiliation with the Student Review." Attachment F at 1. As previously noted, the articles concerning Karl Snow appear to have been published in the Review on October 3, 10 and 17, 1990, and a copy of the

9704383011 4

Review's mast head shows that the Review is apparently a student newspaper, published on a weekly basis.[5] In light of the available information, it appears that the Review was not owned by a political party or candidate and that the articles concerning Karl Snow were published by the Review in its capacity as as a press entity. In this regard, the Review's expenditures toward the articles in question would appear to be exempt from the definition of "expenditure" under the Act.

d. **Peggy Fugal**

In her response, Ms. Fugal asserts that she disclosed her independent expenditure for a newspaper advertisement opposing Karl Snow's candidacy with the Commission and a review of the public record confirms that Ms. Fugal's Section 434(c) filing, on "FEC Form 5," was received on November 19, 1990. Attachments E (response) and K (Section 434(c) filing). A review this filing shows that the expenditure for this newspaper advertisement was apparently made on October 29, 1990, and

9704380115

---

5. The Review's masthead provides as follows:

> Student Review is an independent student publication serving Brigham Young University's campus community.
>
> . . .
>
> Student Review is published weekly during the fall and winter semesters and monthly during the spring and summer terms by the Student Review Foundation, a non-profit corporation. SRF operates under the direction of the Foundation for Student Thought, also a non-profit corporation.
>
> . . .
>
> A year's subscription costs $10.00.

Attachment B at 9.

totaled $1,203.57. The Act, however, requires any person who makes independent expenditures of $1,000 or more, after the twentieth day, but more than 24 hours before 12:01 A.M. of the day of the election, to report such expenditures within 24 hours after the expenditures are made. 2 U.S.C. § 434(c). 11 C.F.R. § 109.2(b). The expenditure at issue here was made on October 29, 1990, eight days before the November 6, 1990 election, yet notice of this expenditure was not received until November 19, 1990, well beyond the time period specified in Section 434(c).

A copy of the newspaper advertisement in question, however, shows that it contains the following language: "Paid for by Peggy Fugal Advertising, A Division of Fugal & Fugal, Inc., a Utah Corporation since 1977." Attachment K. In this regard, it appears that the funds for this expenditure did not originate from Peggy Fugal, but rather from Fugal & Fugal, Inc., in violation of the Act's prohibition against corporate expenditures. 2 U.S.C. § 441b. Moreover, whether the funds for this expenditure originated from Peggy Fugal or from Fugal & Fugal, Inc., the disclaimer in the newspaper advertisement at issue here fails to state that whether it was authorized by a candidate. 2 U.S.C. § 441d(a).

e. Orton for Congress

Lastly, a review of Commission materials shows that Orton for Congress did not disclose the receipt of contributions, in-kind or otherwise, from either the Uthans or RFO. Since it appears that both the Uthans and RFO made their respective expenditures in coordination with William Orton's

9704380116

campaign, Orton for Congress should have disclosed the Uthans' and RFO's expenditures as in-kind contributions. 2 U.S.C. § 434(b).

D. Conclusion

Based upon the above considerations, this Office recommends that the Commission open an investigation and find reason to believe that William Orton and Orton for Congress and Steven R. Schone, as treasurer, violated 2 U.S.C. § 441a(f) and that Orton for Congress and Steven R. Schone, as treasurer, violated 2 U.S.C. § 434(b); that the Uthans for Ethical Government and Scott Lee Norton, as treasurer, violated 2 U.S.C. §§ 441a(a), 433(a), 434(b) and 441d(a); and that Peggy Fugal violated 2 U.S.C. §§ 434(c) and 441d(a) or in the alternative that Fugal & Fugal, Inc., and Peggy Fugal, as an officer, violated 2 U.S.C. §§ 441b and 441d(a). In addition, since the available information shows that the RFO's expenditures apparently did not exceed $1,000, this Office recommends that the Commission find no reason to believe that this group, and its treasurer, Jacqueline F. de Gaston, violated 2 U.S.C. §§ 441a(a), 433 and 434.

III. RECOMMENDATIONS

1. Find reason to believe that the Utahns for Ethical Government and Scott Lee Norton, as treasurer, violated 2 U.S.C. §§ 433(a), 434(b), 441a(a) and 441d(a).

2. Find reason to believe that William Orton and Orton for Congress and Steven R. Schone, as treasurer, violated 2 U.S.C. § 441a(f) and that Orton for Congress and Steven R. Schone, as treasurer, violated 2 U.S.C. § 434(b).

9704383011 7

3. Find reason to believe that Peggy Fugal violated 2 U.S.C. §§ 434(c) and 441d(a) or in the alternative that Fugal & Fugal, Inc., and Peggy Fugal, as an officer, violated 2 U.S.C. §§ 441b(a) and 441d(a).

4. Find no reason to believe that the Republicans for Orton and Jacqueline F. de Gaston, as treasurer, violated 2 U.S.C. §§ 441(a), 433 and 434.

5. Approve the appropriate letters and the attached factual and legal analyses.

Date 10/6/92

Lawrence M. Noble
General Counsel

Attachments
A. Response of Eric Schulzke
B. Response of Utahns for Ethical Government and Scott Lee Norton, as treasurer
C. Response of Republicans for Orton and Jacqueline F. de Gaston, as treasurer
D. Response of George Murdock
E. Response of Peggy Fugal
F. Response of The Honorable William H. Orton and Orton for Congress and its treasurer
G. Response of Matthew J. Harmer
H. Response of Percy G. Kalt
I. Letter from Kent Murdock
J. Complainant's request to amend his complaint
K. Section 434(c) filing by Peggy Fugal
L. Proposed Factual and Legal Analyses (3)

9704383011 8

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS /DONNA ROACH
COMMISSION SECRETARY

DATE: OCTOBER 13, 1992

SUBJECT: MUR 3192 - FIRST GENERAL COUNSEL'S REPORT
DATED OCTOBER 6, 1992

The above-captioned document was circulated to the Commission on WEDNESDAY, OCTOBER 7, 1992 at 11:00 A.M.

Objection(s) have been received from the Commissioner(s) as indicated by the name(s) checked below:

Commissioner Aikens	_____
Commissioner Elliott	_____
Commissioner McDonald	_____
Commissioner McGarry	_____
Commissioner Potter	_____
Commissioner Thomas	XXX

This matter will be placed on the meeting agenda for TUESDAY, OCTOBER 20, 1992.

Please notify us who will represent your Division before the Commission on this matter.

9704380119

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 3192
The Honorable William H. Orton, United States House of Representatives;	)	
Orton for Congress and Steven R. Schone, as treasurer;	)	
The Student Review;	)	
Utahns for Ethical Government and Scott Lee Norton, as treasurer;	)	
Republicans for Orton and Jacqueline F. de Gaston, as treasurer;	)	
Peggy Fugal	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on October 20, 1992, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 3192:

1. Find reason to believe that the Utahns for Ethical Government and Scott Lee Norton, as treasurer, violated 2 U.S.C. §§ 433(a), 434(b), 441a(a), or alternatively 434(c), and 2 U.S.C. §441d(a).

2. Find reason to believe that William Orton and Orton for Congress and Steven R. Schone, as treasurer, violated 2 U.S.C. § 441a(f) and that Orton for Congress and Steven R. Schone, as treasurer, violated 2 U.S.C. § 434(b).

(continued)

9704383012O

3. Find reason to believe that Peggy Fugal violated 2 U.S.C. §§ 434(c) and 441d(a) or in the alternative that Fugal & Fugal, Inc., and Peggy Fugal, as an officer, violated 2 U.S.C. §§ 434(c), 441b(a) and 441d(a).

4. Find no reason to believe that the Republicans for Orton and Jacqueline F. de Gaston, as treasurer, violated 2 U.S.C. § 441i(a), 433, and 434; but find reason to believe that the Republicans for Orton and Jacqueline F. de Gaston, as treasurer, violated 2 U.S.C. § 434(c).

5. Approve appropriate letters and factual and legal analyses pursuant to the actions noted above and the meeting discussion.

Commissioners Aikens, Elliott, McDonald, McGarry, Potter, and Thomas voted affirmatively for the decision.

Attest:

10-21-92
Date

Marjorie W. Emmons
Secretary of the Commission

9704383012 1

RECEIVED
F.E.C.
SECRETARIAT
92 NOV -6 AM 10:57

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

November 6, 1992

SENSITIVE

TO: The Commission

FROM: Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

RE: MUR 3192

Due to a typographical error in the First General Counsel's Report in this matter, the Commission found, inter alia, no reason to believe that the Republicans for Orton and Jacqueline F. de Gaston, as treasurer, violated 2 U.S.C. § 441(a). Attachment at 2 (Certification). The recommendation in the General Counsel's Report should have instead provided for a finding with respect to Section "441a(a)." Accordingly, this Office recommends that the Commission rescind its earlier finding and instead find no reason to believe that Republicans for Orton and Jacqueline F. de Gaston, as treasurer, violated 2 U.S.C. § 441a(a).

RECOMMENDATIONS

1. Rescind the finding that there is no reason to believe the Republicans for Orton and Jacqueline F. de Gaston, as treasurer, violated 2 U.S.C. § 441(a).

2. Find no reason to believe that the Republicans for Orton and Jacqueline F. de Gaston, as treasurer, violated 2 U.S.C. § 441a(a).

Attachment
Certification

Staff assigned: Craig D. Reffner

9704383012 2

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Republicans for Orton and Jacqueline F. de Gaston, as treasurer.	)	MUR 3192
	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on November 12, 1992, the Commission decided by a vote of 6-0 to take the following actions in MUR 3192:

1. Rescind the finding that there is no reason to believe the Republicans for Orton and Jacqueline F. de Gaston, as treasurer, violated 2 U.S.C. § 441(a).

2. Find no reason to believe that the Republicans for Orton and Jacqueline F. de Gaston, as treasurer, violated 2 U.S.C. § 441a(a).

Commissioners Aikens, Elliott, McDonald, McGarry, Potter, and Thomas voted affirmatively for the decision.

Attest:

11-12-92
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

Received in the Secretariat: Fri., Nov., 06, 1992 10:57 a.m.
Circulated to the Commission: Fri., Nov., 06, 1992 12:00 p.m.
Deadline for vote: Thurs., Nov., 12, 1992 4:00 p.m.

bjr

9704383012 3

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 24, 1992

Scott Norton, Treasurer
Utahns for Ethical Government
P. O. Box 66
Provo, Utah 84603

RE: MUR 3192
Utahns for Ethical Government and
Scott Lee Norton, as treasurer

Dear Mr. Norton:

On December 10, 1990, the Federal Election Commission notified the Utahns for Ethical Government ("Committee") and you, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to you at that time.

Upon further review of the allegations contained in the complaint, and information supplied by you, the Commission, on October 20, 1992, found that there is reason to believe the Committee and you, as treasurer, violated 2 U.S.C. §§ 433(a), 434(b), 441a(a) or alternatively 434(c), and 441d(a), provisions of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against the Committee and you, as treasurer. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath. In addition, a staff person from the Office of the General Counsel may be contacting you to arrange for an informal meeting in connection with the Commission's investigation of this matter.

In the absence of any additional information demonstrating that no further action should be taken against the Committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R.

9704438301 24

§ 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

If you have any questions, please contact Craig D. Reffner, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

Joan D. Aikens

Joan D. Aikens
Chairman

Enclosures
Designation of Counsel Form
Factual & Legal Analysis

9704383012 5

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

MUR: 3192

RESPONDENTS: Utahns for Ethical Government and
Scott Lee Norton, as treasurer

I. GENERATION OF MATTER

This matter arose by a complaint filed by Sheldon Bradshaw alleging that the Utahns for Ethical Government and Scott Lee Norton, as treasurer ("Utahns" or "Respondents"), violated the Federal Election Campaign Act of 1971, as amended (the "Act"). According to the complainant, the Utahns made expenditures in excess of $1,000 opposing Karl Snow, the Republican candidate in Utah's 1990 Third Congressional District Election, but failed to register and report with the Federal Election Commission ("Commission"). The complainant further alleges that the Utahns did not make their respective expenditures independently, but in coordination with William Orton, Mr. Snow's Democratic opponent.

II. FACTUAL AND LEGAL ANALYSIS

A. Background

According to the complainant, Respondents publicized a series of newspaper articles from the Student Review ("Review") concerning Karl Snow through radio announcements, three full-page newspaper advertisements and a "special 'tabloid,'" which appeared as an insert in at least twelve weekly newspapers. The complainant alleges that the newspaper articles from the Review concern Karl Snow's purported involvement in a

2704384016

local stock-fraud matter. In support of his allegation that these expenditures were coordinated with William Orton's campaign, the complainant asserts that Scott Norton, Mr. Orton's "long time friend" and the "leader" of the Utahns, asked Mr. Orton how "he might help" distribute the news articles from the Review. In addition, the complainant asserts that the materials purportedly prepared by the Utahns were provided to Mr. Orton's campaign and subsequently distributed during Karl Snow's political rally by the members of the Utahns as well as campaign workers for William Orton.

Scott Norton, who identifies himself as the official spokesperson for the Utahns, acknowledges that the articles in question were publicized through radio advertisements, newspaper "display ads" and a "special tabloid," as alleged by the complainant. However, he states that the Utahns disclosed their activities to the Commission. In addition, he denies being Mr. Orton's "long time" friend, as the complainant alleged, explaining that the two attended the same church from 1982-1985. He also states that the members of the Utahns closely controlled their campaign materials, which he denies were provided to Mr. Orton's campaign.

B. **Analysis**

1. **Coordination in Expenditures**

Under the Act, expenditures made in coordination with a candidate's campaign are in-kind contributions to that candidate. 2 U.S.C. § 441a(a)(7)(B)(i). Under the Act, no person may make contributions to any candidate and his

9704383012 7

authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000. 2 U.S.C. § 441a(a). Independent expenditures, however, are not limited. 2 U.S.C. § 441a(a)(7)(B)(i). An independent expenditure is defined as:

> an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate or agent of such candidate.

2 U.S.C. § 431(17). 11 C.F.R. § 109.1(a).

The Commission's regulations define "made with the cooperation or with the prior consent of, or in consultation with, or at the request or suggestion of, a candidate" to mean any arrangement, coordination, or direction by the candidate or his or her agent prior to the publication, distribution, display, or broadcast of the communication. 11 C.F.R. § 109.1(b)(4)(i). The Commission's regulations further provide that an expenditure will be presumed to be so made when it is:

> (A) Based on information about the candidate's plans, projects, or needs provided to the expending person by the candidate, or by the candidate's agents, with a view toward having an expenditure made;
>
> (B) Made by or through any person who is, or has been, authorized to raise or expend funds, who is or has been, an officer of an authorized committee, or who is, or has been, receiving any form of compensation or reimbursement from the candidate, the candidate's committee or agent.

Id.

9704383012 8

It appears that the Utahns may have made expenditures based upon information about Mr. Orton's campaign plans or needs, conveyed by his campaign, with a view toward having the expenditures made. Indeed, Mr. Norton states that after he read the first article concerning Karl Snow's involvement in a local stock-fraud matter, in the October 3, 1990 Review, he called Mr. Orton and "urged him to expose the less than savory aspects of Mr. Snow." According to Mr. Norton, however, Mr. Orton "not only declined to become involved with this issue, he stressed that he would not be associated with any campaigning of this sort and that he would fire anyone from his campaign staff that was in any way involved with this issue." Mr. Norton states that after he contacted Mr. Orton, he then called Eric Schulzke, the author of the article, and "asked him if he would like to have his work published in a broader format." Mr. Norton explains that after Mr. Schulzke's third article concerning Karl Snow was published, the two met, formed the Utahns and developed a media campaign resulting in the Utahns' expenditures.

In light of this information, it appears that Mr. Norton formed the Utahns and made numerous expenditures based upon the articles in the Review after he spoke with Mr. Orton. The details of their conversation are not known and it is unclear whether Messrs. Norton and Orton discussed anything else about the election beyond Mr. Snow's alleged involvement in a stock-fraud matter. However, Mr. Orton's expressed refusal to become involved in publicizing the allegations against Mr. Snow may have conveyed the message that Mr. Norton should undertake this activity, so as

9704383012 9

to taint the independence of the Utahns' expenditures.

2. **Reporting Violations**

In addition to his allegation of coordination, the complainant alleged that Respondents should have registered and reported with the Commission. Under the Act, all political committees must file a statement of organization within ten days after becoming a political committee and thereafter must submit reports to the Commission on a scheduled basis disclosing all contributions received and expenditures made. 2 U.S.C. §§ 433 and 434. The Act defines a "political committee" as any committee, club, association, or other group of persons which receives contributions or makes expenditures aggregating in excess of $1,000 during a calendar year. 2 U.S.C. § 431(4).

Under the Act, expenditures made in coordination with a candidate's campaign are considered in-kind contributions to that candidate and must be disclosed as such by that candidate's authorized campaign committee. 2 U.S.C. § 434(b). In addition, such expenditures must be correctly reported by the political committee making them. Id

In his response, Mr. Norton asserts that the Utahns "registered" with the Commission and a review of the public record confirms that the Utahns filed a statement of organization on November 14, 1990, and a single disclosure report on November 23, 1990, showing that $11,452.68 in expenditures were made during the 1990 election. A review of this disclosure report, however, shows that the Utahns apparently made expenditures in excess of $1,000 on October 26, 1990. Thus, it appears that the Utahns failed to

9704383013 0

file a statement of organization on a timely basis. 2 U.S.C. § 433(a). In addition, the Utahns reported their expenditures as independent expenditures made in opposition to Karl Snow's candidacy. Since the available information shows that the Utahns' expenditures may actually be in-kind contributions to William Orton's campaign, it appears that these expenditures were improperly disclosed. 2 U.S.C. § 434(b)(6)(B)(i).

3. **Additional Violation**

In his response Mr. Norton provided copies of campaign materials purportedly prepared by the Utahns. A review of these materials shows that they clearly advocate the defeat of Karl Snow and include the following disclaimer: "This publication is the product of the Utahns for Ethical Government, a non-partisan, independent, citizen group." Under the Act, whenever a person makes an expenditure, independent or otherwise, for a communication through general public political advertising, which expressly advocates the election or defeat of a clearly identified candidate, the communication must state who paid for the communication and, if not paid for by a candidate or an authorized candidate committee, must state whether the communication was or was not authorized by such candidate or candidate's committee. 2 U.S.C. § 441d(a). 11 C.F.R. § 109.3. See also 11 C.F.R. § 110.11(a)(1). The disclaimer in the Utahns' materials, however, does not clearly state that they were paid for by the Utahns and whether they were authorized by any candidate. Accordingly, it appears that the Utahns failed to comply with the requirements of Section 441d(a).

9704383013 1

C. Alternative Violation

Under the Act, political committees making independent expenditures of $1,000 or more after the 20th day, but more than 24 hours, before any election must report such expenditures within 24 hours after the expenditures are made. 2 U.S.C. § 434(c). As noted above, it appears that the Utahns' expenditures were made in coordination with William Orton's campaign. However, in the event the Utahns' expenditures were made independently, then these expenditures should have been disclosed within 24 hours from the date they were made. As noted above, the Act requires independent expenditures of $1,000 or more made after the 20th day, but more than 24 hours, before any election to be reported within 24 hours after the expenditure is made. In this matter, the election in question was held on November 6, 1990, and disclosure materials filed by the Utahns show that various expenditures in excess of $1,000 were made as early as October 26, 1990.

D. Conclusion

In sum, it appears that Respondents made expenditures in coordination with William Orton's campaign. Since the available information shows that these expenditures exceeded $1,000, it appears that the Utahns made an excessive contribution. 2 U.S.C. § 441a(a). In addition, it appears that the Utahns met the Act's threshold for political committee status, but failed to timely file a statement of organization with the Commission 2 U.S.C. § 433. Moreover, a review of disclosure materials filed by the Utahns shows that the expenditures at issue here were identified as independent expenditures, rather than in-kind

9704383013 2

contributions to William Orton's campaign. 2 U.S.C. § 434(b). Lastly, a review of the Utahns' campaign materials shows that Respondents apparently failed to comply with the disclaimer requirements set forth in the Act. 2 U.S.C. § 441d(a).

On the other hand, if the Utahns' expenditures were made independently, then those expenditures of $1,000 or more made after the 20th day, but more than 24 hours, before the November 6, 1990 election should have been reported within 24 hours after being made. 2 U.S.C. § 434(c).

Accordingly, there is reason to believe that the Utahns for Ethical Government and Scott Lee Norton, as treasurer, violated 2 U.S.C. §§ 433(a), 441d(a) and either 434(b) and 441a(a) or 434(c).

2704383013 3

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 24, 1992

Steven R. Schone, Treasurer
Orton for Congress
P. O. Box 1997
Provo, Utah 84603

RE: MUR 3192
Orton for Congress and
Steven R. Schone, as treasurer

Dear Mr. Schone:

On December 10, 1990, the Federal Election Commission notified Orton for Congress (the "Committee") and its treasurer of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to the Committee at that time.

Upon further review of the allegations contained in the complaint, and information supplied by the Honorable William H. Orton on behalf of the Committee, the Commission, on October 20, 1992, found that there is reason to believe the Committee and you, as treasurer, violated 2 U.S.C. §§ 441a(f) and 434(b), provisions of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against the Committee and you, as treasurer. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath. In addition, a staff person from the Office of the General Counsel may be contacting you to arrange for an informal meeting in connection with the Commission's investigation of this matter.

In the absence of any additional information demonstrating that no further action should be taken against the Committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

9704383C134

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

If you have any questions, please contact Craig D. Reffner, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

Joan D. Aikens

Joan D. Aikens
Chairman

Enclosures
Designation of Counsel Form
Factual & Legal Analysis

9704383035

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

MUR: 3192

RESPONDENTS: William H. Orton

Orton for Congress and
Steven R. Schone, as treasurer

I. **GENERATION OF MATTER**

This matter arose by a complaint filed with the Federal Election Commission ("Commission") by Sheldon Bradshaw alleging that the Honorable William Orton, United States House of Representatives, and Orton for Congress and Steven R. Schone, as treasurer (collectively referred to as the "Committee"), violated the Federal Election Campaign Act of 1971, as amended (the "Act"). According to the complainant, The Student Review, the Utahns for Ethical Government, the Republicans for Orton and Peggy Fugal each made expenditures in excess of $1,000 opposing Karl Snow, the Republican candidate in Utah's 1990 Third Congressional District Election. The complainant alleges that Respondents did not make their respective expenditures independently, but in coordination with William Orton, Mr. Snow's Democratic opponent.

I. **FACTUAL AND LEGAL ANALYSIS**

According to the complainant, the Utahns for Ethical Government ("Utahns") publicized a series of articles from The Student Review ("Review") through radio announcements, three full-page newspaper advertisements and a "special 'tabloid,'" which appeared as an insert in at least twelve weekly newspapers.

9704383013 6

The complainant alleges that the articles from the Review concerned Mr. Snow's alleged involvement in a local stock fraud matter. With regard to the Republicans for Orton ("RFO"), the complainant alleges that this group printed hundreds of banners and stickers reading "Republicans for" and then placed them on existing "Orton for Congress" campaign materials. The complainant further alleges that RFO also made expenditures for newspaper advertisements and that one of the advertisements requested people to protest at Karl Snow's campaign rally, to which the leaders of RFO had purportedly arranged transportation for high school students to attend.

In support of his allegation that these expenditures were coordinated with William Orton's campaign, the complainant alleges that William Orton attended meetings held by RFO and that Scott Norton, Mr. Orton's "long time friend" and the "leader" of the Utahns, asked Mr. Orton how "he might help" distribute the news articles from the Review. In addition, the complainant asserts that the materials purportedly prepared by the Utahns were provided to Mr. Orton's campaign and subsequently distributed during Karl Snow's political rally by the members of the Utahns and campaign workers for William Orton.

The available information shows that the Utahns and RFO apparently made expenditures during the 1990 election, as alleged by the complainant. William Orton, however, challenges the complainant's allegation of coordination, specifically arguing that the expenditures at issue in this matter are "'independent expenditures'" under the Act. With regard to the Utahns, he

9704383013 7

asserts that he "did not coordinate, control, suggest, recommend, or influence the actions of [Scott] Norton or [the Utahns], and in fact refused any involvement with or any comment on the actions of [the Utahns] . . . ." With regard to RFO, he states that the members of this group acted without his authorization when they placed banners over his campaign materials. He asserts that he requested that they refrain from doing so and "remove [the] banners placed on signs in locations outside the properties owned by [the group's] members."

Under the Act, expenditures made in coordination with a candidate's campaign are in-kind contributions to that candidate and must be reported as such by the candidate's authorized campaign committee. 2 U.S.C. §§ 441a(a)(7)(B)(i) and 434(b). The Act provides that no person may make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000, and that no candidate or political committee shall knowingly accept any contribution in violation of this limitation. 2 U.S.C. §§ 441a(a) and 441a(f). Independent expenditures, however, are not limited. 2 U.S.C. § 441a(a)(7)(B)(i). An independent expenditure is defined as:

> an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate or agent of such candidate.

2 U.S.C. § 431(17). 11 C.F.R. § 109.1(a).

9704383013 8

The Commission's regulations define "made with the cooperation or with the prior consent of, or in consultation with, or at the request or suggestion of, a candidate" to mean any arrangement, coordination, or direction by the candidate or his or her agent prior to the publication, distribution, display, or broadcast of the communication. 11 C.F.R. § 109.1(b)(4)(i). The Commission's regulations further provide that an expenditure will be presumed to be so made when it is:

> (A) Based on information about the candidate's plans, projects, or needs provided to the expending person by the candidate, or by the candidate's agents, with a view toward having an expenditure made;
>
> (B) Made by or through any person who is, or has been, authorized to raise or expend funds, who is or has been, an officer of an authorized committee, or who is, or has been, receiving any form of compensation or reimbursement from the candidate, the candidate's committee or agent.

Id.

According to the complainant, Mr. Orton attended RFO's meetings and Mr. Orton acknowledges that he accepted an invitation to speak at George Murdock's home as well as the home of Doug Marriott, whom he identifies as "another prominent Republican." Mr. Orton states that the purpose of each of his visits was to make a "political speech" and respond to "questions on political issues." He asserts that he "did not discuss expenditures of any money on behalf of the Orton campaign" in either instance.

Despite his challenge to the allegation of coordination, it appears that Mr. Orton's visit to Mr. Murdock's home may have served as a catalyst for RFO's activities. At least two members

9104383073 9

of RFO were apparently present when Mr. Orton spoke at Mr. Murdock's home including, Mike Schnabel, who purportedly organized RFO, and Jacqueline de Gaston, who was apparently the treasurer of RFO. In addition, it appears Mr. Murdock became involved with RFO after Mr. Orton spoke at his home and Mr. Orton identifies him as the individual he contacted when he requested that the members of RFO refrain from altering his campaign materials.

The available information does not, however, paint a complete picture of this event or of the participants' contacts with each other. It is unclear, for example, how the members of RFO learned that Mr. Orton would be speaking at Mr. Murdock's home. Similarly, it appears Mr. Murdock became involved with RFO after Mr. Orton's visit, yet it was Mr. Murdock who Mr. Orton called to discuss RFO's activities, which suggests there may have been other communications between the candidate and the members of RFO, including Mr. Murdock. Finally, it is unclear what actually was said during Mr. Orton's "political speech" and in his responses to "questions on political issues." In short, the information presently available gives rise to the inference that Mr. Orton may have conveyed information about his campaign needs or plans to the members of RFO so as to impair the independence of that group's expenditures.

The available information also shows that the Utahns similarly may have made expenditures based upon information about Mr. Orton's campaign plans or needs, conveyed by his campaign, with a view toward having the expenditures made. Indeed,

27U43831AU

Mr. Norton apparently called Mr. Orton to inquire about the first article concerning Karl Snow's involvement in a local stock-fraud matter, in the October 3, 1990 Review, and encouraged him to publicize this issue. Although Mr. Orton, who categorically denies any coordination with the Utahns, neither confirms nor denies speaking with Mr. Norton, it appears that he refused to become involved in this activity. Mr. Norton thereafter formed the Utahns and made numerous expenditures based upon the articles in the Review.

Based upon the foregoing, it appears that Mr. Norton was in contact with Mr. Orton before the Utahns' expenditures were made. Although the details of their conversation are not known, Mr. Orton's expressed refusal to become involved in publicizing the allegations against Mr. Snow may have conveyed the message that Mr. Norton should undertake this activity, so as to taint the independence of the Utahns' expenditures.

In conclusion, it appears that the Utahns and RFO made their expenditures in coordination with William Orton's campaign. In the case of the Utahns, the available information indicates that that group's expenditures exceeded $1,000. Accordingly, it appears that William Orton and Orton for Congress and Steven R. Schone, as treasurer, accepted an excessive contribution. 2 U.S.C. § 441a(f). In addition, a review of Commission materials shows that the Committee did not disclose the receipt of contributions, in-kind or otherwise, from either the Utahns or RFO. Since it appears that both the Utahns and RFO made their respective expenditures in coordination with William Orton's

9704383014 1

campaign, the Committee should have disclosed the Utahns' and RFO's expenditures as in-kind contributions. 2 U.S.C. § 434(b).

Accordingly, there is reason to believe William Orton and Orton for Congress and Steven R. Schone, as treasurer, violated 2 U.S.C. § 441a(f) and that Orton for Congress and Steven R. Schone, as treasurer violated 434(b).

9704383014 2

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 24, 1992

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Peggy Fugal
Fugal & Fugal, Inc.
950 North University Avenue
Suite 201
Provo, Utah 84604

RE: MUR 3192
Peggy Fugal
Fugal & Fugal, Inc., and
Peggy Fugal, as an officer

Dear Ms. Fugal:

On December 10, 1990, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was enclosed with that notification.

Upon further review of the allegations contained in the complaint, and information supplied by you, the Commission, on October 20, 1992, found that there is reason to believe you violated 2 U.S.C. §§ 434(c) and 441d(a) or in the alternative that Fugal & Fugal, Inc., and you, as an officer, violated 2 U.S.C. §§ 434(c), 441b(a) and 441d(a), provisions of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you and Fugal & Fugal, Inc., and you, as an officer. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Statements should be submitted under oath. All responses to the enclosed Interrogatories and Request for the Production of Documents must be submitted to the General Counsel's Office within 30 days of your receipt of this letter. Any additional materials or statements you wish to submit should accompany the response to the enclosed discovery request. In addition, a staff person from the Office of the General Counsel may be contacting you to arrange for an informal meeting in connection with the Commission's investigation of this matter.

9704383014 3

You may consult with an attorney and have an attorney assist you in the preparation of your responses to this discovery request. If you intend to be represented by counsel, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notification or other communications from the Commission.

In the absence of any additional information which demonstrates that no further action should be taken against you and Fugal & Fugal, Inc., and you, as an officer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

If you have any questions, please contact Craig D. Reffner, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

Joan D. Aikens

Joan D. Aikens
Chairman

Enclosures
Interrogatories and
Request for Production of Documents
Designation of Counsel Form
Factual and Legal Analysis

9704383014 4

INSTRUCTIONS

In answering these interrogatories and request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Each answer is to be given separately and independently, and unless specifically stated in the particular discovery request, no answer shall be given solely by reference either to another answer or to an exhibit attached to your response.

The response to each interrogatory propounded herein shall set forth separately the identification of each person capable of furnishing testimony concerning the response given, denoting separately those individuals who provided informational, documentary or other input, and those who assisted in drafting the interrogatory response.

If you cannot answer the following interrogatories in full after exercising due diligence to secure the full information to do so, answer to the extent possible and indicate your inability to answer the remainder, stating whatever information or knowledge you have concerning the unanswered portion and detailing what you did in attempting to secure the unknown information.

Should you claim a privilege with respect to any documents, communications, or other items about which information is requested by any of the following interrogatories and requests for production of documents, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery request shall refer to the time period from October 1, 1990 to the present.

The following interrogatories and requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

7043830145

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
) MUR 3192
)

INTERROGATORIES AND REQUEST FOR PRODUCTION OF DOCUMENTS

TO: Peggy Fugal
Fugal & Fugal, Inc.
950 North University Avenue
Suite 201
Provo, Utah 84604

In furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby requests that you submit answers in writing and under oath to the questions set forth below within 30 days of your receipt of this request. In addition, the Commission hereby requests that you produce the documents specified below, in their entirety, for inspection and copying at the Office of the General Counsel, Federal Election Commission, Room 659, 999 E Street, N.W., Washington, D.C. 20463, on or before the same deadline, and continue to produce those documents each day thereafter as may be necessary for counsel for the Commission to complete their examination and reproduction of those documents. Clear and legible copies or duplicates of the documents which, where applicable, show both sides of the documents may be submitted in lieu of the production of the originals.

9704383014 6

9704383014 7

DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent in this action to whom these discovery requests are addressed, including all officers, employees, agents or attorneys thereof.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"Identify" with respect to a person shall mean state the full name, the most recent business and residence addresses and the telephone numbers, the present occupation or position of such person, the nature of the connection or association that person has to any party in this proceeding. If the person to be identified is not a natural person, provide the legal and trade names, the address and telephone number, and the full names of both the chief executive officer and the agent designated to receive service of process for such person.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

INTERROGATORIES AND REQUEST FOR PRODUCTION OF DOCUMENTS

1. With regard to the 1990 newspaper advertisement which you have acknowledged placing in opposition to Karl Snow's 1990 election campaign:

   a. explain the circumstances surrounding the publication of this advertisement and identify each person who was involved in the making of this advertisement, including each person who prepared, designed, reviewed, approved and/or authorized it;

   b. state whether this advertisement was paid for by you or by Fugal & Fugal, Inc., and in the event that it was not paid for by either you or Fugal & Fugal, Inc., identify the person(s) who paid for it; and

   c. state the total costs incurred in connection with this advertisement, including all costs, such as labor, supplies, etc., incurred in preparing, copying, designing, reviewing and publishing it.

2. Identify any other payments and/or expenditures you and/or Fugal & Fugal, Inc., made in connection with the 1990 election in Utah's Third Congressional District.

Produce all documents that are referred to or relate to the answers to these questions and any other documents related to the 1990 election in Idaho's Third Congressional District.

0704383019

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

MUR: 3192

RESPONDENTS: Peggy Fugal

Fugal & Fugal, Inc., and
Peggy Fugal, as an officer

I. GENERATION OF MATTER

This matter arose by a complaint filed by Sheldon Bradshaw alleging that Peggy Fugal violated the Federal Election Campaign Act of 1971, as amended (the "Act"). According to the complainant, Ms. Fugal made expenditures in excess of $1,000 opposing Karl Snow, the Republican candidate in Utah's 1990 Third Congressional District Election, but failed to register and report with the Federal Election Commission ("Commission"). The complainant further alleges that Ms. Fugal did not make her expenditures independently, but in coordination with William Orton, Mr. Snow's Democratic opponent.

II. FACTUAL AND LEGAL ANALYSIS

According to the complainant, Peggy Fugal paid f r two newspaper advertisements attacking Mr. Snow. In her response, however, Ms. Fugal asserts that she wrote, produced, placed and paid for "one (not two as Mr. Bradshaw alleges) full-page anti-Karl Snow newspaper ad." She explains that she campaigned against Mr. Snow because he purportedly failed to pay her for advertising services she provided to him in connection with his earlier, unsuccessful gubernatorial campaign. According to

9704380149

Ms. Fugal, Mr. Snow repeatedly denied owing her money in the press, which "slandered my [Ms. Fugal's] good name and reputation in the process." In addition, Ms. Fugal asserts that she notified the Commission of her expenditure and a review of the public record confirms that Ms. Fugal's Section 434(c) filing, on "FEC Form 5," was received on November 19, 1990. A review this filing shows that the expenditure for this newspaper advertisement was apparently made on October 29, 1990, and totaled $1,203.57.

Under the Act, any person who makes independent expenditures of $1,000 or more, after the twentieth day, but more than 24 hours before 12:01 A.M. of the day of the election, must report such expenditures within 24 hours after the expenditures are made. 2 U.S.C. § 434(c). 11 C.F.R. § 109.2(b). In addition, the Act prohibits corporations from making contributions or expenditures from their general treasury funds in connection with Federal elections and any officer or director of any corporation from consenting to any contribution or expenditure by the corporation. 2 U.S.C. § 441b(a). Further, the Act provides that whenever a person makes an expenditure, independent or otherwise, for a communication through general public political advertising, which expressly advocates the election or defeat of a clearly identified candidate, the communication must state who paid for the communication and, if not paid for by a candidate or an authorized candidate committee, must state whether the communication was or was not authorized by such candidate or candidate's committee. 2 U.S.C. § 441d(a). 11 C.F.R. § 109.3 See also 11 C.F.R. § 110.11(a)(1).

9704383015O

A copy of the newspaper advertisement in question shows that it contains the following language: "Paid for by Peggy Fugal Advertising, A Division of Fugal & Fugal, Inc., a Utah Corporation since 1977." In this regard, it appears that the funds for this expenditure did not originate from Peggy Fugal, but rather from Fugal & Fugal, Inc., in violation of the Act's prohibition against corporate expenditures. 2 U.S.C. § 441b. Moreover, whether the funds for this expenditure originated from Peggy Fugal or from Fugal & Fugal, Inc., the disclaimer in the newspaper advertisement at issue here fails to state whether it was authorized by a candidate. 2 U.S.C. § 441d(a). Lastly, the available information shows that the expenditure at issue here was made on October 29, 1990, eight days before the November 6, 1990 election. Notice of this expenditure, however, was not received until November 19, 1990, well beyond the time period specified in Section 434(c).

Accordingly, there is reason to believe that Peggy Fugal violated 2 U.S.C. §§ 434(c) and 441d(a) or in the alternative that Fugal & Fugal, Inc., and Peggy Fugal, as an officer, violated 2 U.S.C. §§ 434(c), 441b(a) and 441d(a).

2704383015

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 24, 1992

Jacqueline F. de Gaston, Treasurer
Republicans for Orton
505 East 4750 North
Provo, Utah 84604

RE: MUR 3192
Republicans for Orton and
Jacqueline F. de Gaston, as treasurer

Dear Ms. de Gaston:

On December 10, 1990, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to you at that time.

Upon further review of the allegations contained in the complaint, and information supplied by you, the Commission, on October 20, 1992, found that there is no reason to believe Republicans for Orton and you, as treasurer, violated 2 U.S.C. §§ 433 and 434, but that there is reason to believe the Republicans for Orton and you, as treasurer, violated 2 U.S.C. § 434(c). On November 12, 1992, the Commission also found no reason to believe that Republicans for Orton and you, as treasurer, violated 2 U.S.C. § 441a(a). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against the Committee and you, as treasurer. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 30 days of receipt of this letter. Where appropriate, statements should be submitted under oath. In addition, a staff person from the Office of the General Counsel may be contacting you to arrange for an informal meeting in connection with the Commission's investigation of this matter.

In the absence of any additional information demonstrating that no further action should be taken against the Committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

9104383015 2

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

If you have any questions, please contact Craig D. Reffner, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

Joan D. Aikens

Joan D. Aikens
Chairman

Enclosures
Designation of Counsel Form
Factual & Legal Analysis

7043830153

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

MUR: 3192

RESPONDENTS: Republicans for Orton and
Jacqueline F. de Gaston, as treasurer

I. **GENERATION OF MATTER**

This matter arose by a complaint filed by Sheldon Bradshaw alleging that the Republicans for Orton ("RFO") violated the Federal Election Campaign Act of 1971, as amended (the "Act"). According to the complainant, RFO made expenditures in excess of $1,000 opposing Karl Snow, the Republican candidate in Utah's 1990 Third Congressional District election, but failed to register and report with the Federal Election Commission (the "Commission"). The complainant further alleges that RFO did not make these expenditures independently, but in coordination with William Orton, Mr. Snow's democratic opponent.

II. **FACTUAL AND LEGAL ANALYSIS**

According to the complainant, RFO printed hundreds of banners and stickers reading "Republicans for" and then placed them on existing "Orton for Congress" campaign materials. The complainant also alleges that RFO made expenditures for newspaper advertisements and that one of the advertisements requested people to protest at Karl Snow's campaign rally, to which the leaders of RFO had purportedly arranged transportation for high school students to attend. In support of his allegation that these expenditures were coordinated with William Orton's campaign, the complainant alleges that William Orton attended meetings held by the members of RFO.

9704383015 4

In a response filed on behalf of RFO, Jacqueline F. de Gaston, who identifies herself as the treasurer of RFO, acknowledges that various expenditures were made towards banners and stickers reading "Republicans for," which were added to Mr. Orton's existing campaign materials. However, she denies making expenditures toward newspaper advertisements or providing transportation for anyone to attend Karl Snow's political rally. In addition, Ms. de Gaston flatly denies that RFO's expenditures exceeded $1,000. An itemization of RFO's expenditures provided by Ms. de Gaston shows that the group only made $826.39 in expenditures.

Under the Act, all political committees must file a statement of organization within ten days after becoming a political committee and thereafter must submit reports to the Commission on a scheduled basis disclosing all contributions received and expenditures made. 2 U.S.C. §§ 433 and 434. The Act defines a "political committee" as any committee, club, association, or other group of persons which receives contributions or makes expenditures aggregating in excess of $1,000 during a calendar year. 2 U.S.C. § 431(4). If, however, a person making independent expenditures does not qualify for reporting obligations as a political committee and the independent expenditures are in excess of $250, then the expenditures must be reported by letter or other communication to the Commission as an "independent expenditure" on behalf of that candidate or candidates. 2 U.S.C. § 434(c). 11 C.F.R. § 109.2(a).

9704380155

As noted, Ms. de Gaston's itemization of RFO's activities shows that this group made expenditures of less than $1,000 during the 1990 election. Although it does not appear that RFO qualified as a political committee under the Act, RFO may have nonetheless incurred a reporting obligation. In particular, the Act requires every person (other than a political committee) who makes independent expenditures in excess of $250 during a calendar year to file a statement containing the information required by 2 U.S.C. § 434(b)(3)(A). 2 U.S.C. § 434(c). In this matter, RFO's expenditures apparently exceeded $250, and if made independently, should have been reported to the Commission pursuant to Section 434(c) of the Act.

Therefore, there is reason to believe the Republicans for Orton and Jacqueline F. de Gaston, as treasurer, violated 2 U.S.C. § 434(c).

9704383015 6

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 24, 1992

The Honorable William H. Orton
United States House of Representatives
1723 Longworth
House Office Building
Washington D.C. 20515

RE: MUR 3192
The Honorable William H. Orton
United States House of Representatives

Dear Mr. Orton:

On December 10, 1990, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to you at that time.

Upon further review of the allegations contained in the complaint, and information supplied by you, the Commission, on October 20, 1992, found that there is reason to believe you violated 2 U.S.C. § 441a(f), a provision of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath. In addition, a staff person from the Office of the General Counsel may be contacting you to arrange for an informal meeting in connection with the Commission's investigation of this matter.

In the absence of any additional information demonstrating that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that

9704383015 7

pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

If you have any questions, please contact Craig D. Reffner, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

Joan D Aikens

Joan D. Aikens
Chairman

Enclosures
Designation of Counsel Form
Factual & Legal Analysis

9704383015 8

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

MUR: 3192

RESPONDENTS: William H. Orton

Orton for Congress and
Steven R. Schone, as treasurer

I. **GENERATION OF MATTER**

This matter arose by a complaint filed with the Federal Election Commission ("Commission") by Sheldon Bradshaw alleging that the Honorable William Orton, United States House of Representatives, and Orton for Congress and Steven R. Schone, as treasurer (collectively referred to as the "Committee"), violated the Federal Election Campaign Act of 1971, as amended (the "Act"). According to the complainant, The Student Review, the Utahns for Ethical Government, the Republicans for Orton and Peggy Fugal each made expenditures in excess of $1,000 opposing Karl Snow, the Republican candidate in Utah's 1990 Third Congressional District Election. The complainant alleges that Respondents did not make their respective expenditures independently, but in coordination with William Orton, Mr. Snow's Democratic opponent.

I. **FACTUAL AND LEGAL ANALYSIS**

According to the complainant, the Utahns for Ethical Government ("Utahns") publicized a series of articles from The Student Review ("Review") through radio announcements, three full-page newspaper advertisements and a "special 'tabloid,'" which appeared as an insert in at least twelve weekly newspapers.

9704383015 9

The complainant alleges that the articles from the Review concerned Mr. Snow's alleged involvement in a local stock fraud matter. With regard to the Republicans for Orton ("RFO"), the complainant alleges that this group printed hundreds of banners and stickers reading "Republicans for" and then placed them on existing "Orton for Congress" campaign materials. The complainant further alleges that RFO also made expenditures for newspaper advertisements and that one of the advertisements requested people to protest at Karl Snow's campaign rally, to which the leaders of RFO had purportedly arranged transportation for high school students to attend.

In support of his allegation that these expenditures were coordinated with William Orton's campaign, the complainant alleges that William Orton attended meetings held by RFO and that Scott Norton, Mr. Orton's "long time friend" and the "leader" of the Utahns, asked Mr. Orton how "he might help" distribute the news articles from the Review. In addition, the complainant asserts that the materials purportedly prepared by the Utahns were provided to Mr. Orton's campaign and subsequently distributed during Karl Snow's political rally by the members of the Utahns and campaign workers for William Orton.

The available information shows that the Utahns and RFO apparently made expenditures during the 1990 election, as alleged by the complainant. William Orton, however, challenges the complainant's allegation of coordination, specifically arguing that the expenditures at issue in this matter are "'independent expenditures'" under the Act. With regard to the Utahns, he

9704383016O

asserts that he "did not coordinate, control, suggest, recommend, or influence the actions of [Scott] Norton or [the Utahns], and in fact refused any involvement with or any comment on the actions of [the Utahns] . . . ." With regard to RFO, he states that the members of this group acted without his authorization when they placed banners over his campaign materials. He asserts that he requested that they refrain from doing so and "remove [the] banners placed on signs in locations outside the properties owned by [the group's] members."

Under the Act, expenditures made in coordination with a candidate's campaign are in-kind contributions to that candidate and must be reported as such by the candidate's authorized campaign committee. 2 U.S.C. §§ 441a(a)(7)(B)(i) and 434(b). The Act provides that no person may make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000, and that no candidate or political committee shall knowingly accept any contribution in violation of this limitation. 2 U.S.C. §§ 441a(a) and 441a(f). Independent expenditures, however, are not limited. 2 U.S.C. § 441a(a)(7)(B)(i). An independent expenditure is defined as:

> an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate or agent of such candidate.

2 U.S.C. § 431(17). 11 C.F.R. § 109.1(a).

9704383016 1

The Commission's regulations define "made with the cooperation or with the prior consent of, or in consultation with, or at the request or suggestion of, a candidate" to mean any arrangement, coordination, or direction by the candidate or his or her agent prior to the publication, distribution, display, or broadcast of the communication. 11 C.F.R. § 109.1(b)(4)(i). The Commission's regulations further provide that an expenditure will be presumed to be so made when it is:

> (A) Based on information about the candidate's plans, projects, or needs provided to the expending person by the candidate, or by the candidate's agents, with a view toward having an expenditure made;
>
> (B) Made by or through any person who is, or has been, authorized to raise or expend funds, who is or has been, an officer of an authorized committee, or who is, or has been, receiving any form of compensation or reimbursement from the candidate, the candidate's committee or agent.

Id.

According to the complainant, Mr. Orton attended RFO's meetings and Mr. Orton acknowledges that he accepted an invitation to speak at George Murdock's home as well as the home of Doug Marriott, whom he identifies as "another prominent Republican." Mr. Orton states that the purpose of each of his visits was to make a "political speech" and respond to "questions on political issues." He asserts that he "did not discuss expenditures of any money on behalf of the Orton campaign" in either instance.

Despite his challenge to the allegation of coordination, it appears that Mr. Orton's visit to Mr. Murdock's home may have served as a catalyst for RFO's activities. At least two members

9704383016 2

of RFO were apparently present when Mr. Orton spoke at Mr. Murdock's home including, Mike Schnabel, who purportedly organized RFO, and Jacqueline de Gaston, who was apparently the treasurer of RFO. In addition, it appears Mr. Murdock became involved with RFO after Mr. Orton spoke at his home and Mr. Orton identifies him as the individual he contacted when he requested that the members of RFO refrain from altering his campaign materials.

The available information does not, however, paint a complete picture of this event or of the participants' contacts with each other. It is unclear, for example, how the members of RFO learned that Mr. Orton would be speaking at Mr. Murdock's home. Similarly, it appears Mr. Murdock became involved with RFO after Mr. Orton's visit, yet it was Mr. Murdock who Mr. Orton called to discuss RFO's activities, which suggests there may have been other communications between the candidate and the members of RFO, including Mr. Murdock. Finally, it is unclear what actually was said during Mr. Orton's "political speech" and in his responses to "questions on political issues." In short, the information presently available gives rise to the inference that Mr. Orton may have conveyed information about his campaign needs or plans to the members of RFO so as to impair the independence of that group's expenditures.

The available information also shows that the Utahns similarly may have made expenditures based upon information about Mr. Orton's campaign plans or needs, conveyed by his campaign, with a view toward having the expenditures made. Indeed,

9704383016 3

Mr. Norton apparently called Mr. Orton to inquire about the first article concerning Karl Snow's involvement in a local stock-fraud matter, in the October 3, 1990 Review, and encouraged him to publicize this issue. Although Mr. Orton, who categorically denies any coordination with the Utahns, neither confirms nor denies speaking with Mr. Norton, it appears that he refused to become involved in this activity. Mr. Norton thereafter formed the Utahns and made numerous expenditures based upon the articles in the Review.

Based upon the foregoing, it appears that Mr. Norton was in contact with Mr. Orton before the Utahns' expenditures were made. Although the details of their conversation are not known, Mr. Orton's expressed refusal to become involved in publicizing the allegations against Mr. Snow may have conveyed the message that Mr. Norton should undertake this activity, so as to taint the independence of the Utahns' expenditures.

In conclusion, it appears that the Utahns and RFO made their expenditures in coordination with William Orton's campaign. In the case of the Utahns, the available information indicates that that group's expenditures exceeded $1,000. Accordingly, it appears that William Orton and Orton for Congress and Steven R. Schone, as treasurer, accepted an excessive contribution. 2 U.S.C. § 441a(f). In addition, a review of Commission materials shows that the Committee did not disclose the receipt of contributions, in-kind or otherwise, from either the Utahns or RFO. Since it appears that both the Utahns and RFO made their respective expenditures in coordination with William Orton's

2704383164

campaign, the Committee should have disclosed the Utahns' and RFO's expenditures as in-kind contributions. 2 U.S.C. § 434(b).

Accordingly, there is reason to believe William Orton and Orton for Congress and Steven R. Schone, as treasurer, violated 2 U.S.C. § 441a(f) and that Orton for Congress and Steven R. Schone, as treasurer violated 434(b).

9704383016 5

Daily Herald Nov 1, 1992

Political group's formation the subject of accusations

By ROBB HICKEN
Herald Staff Writer

SALT LAKE CITY — Disgruntled and distraught, Republican supporters who once sounded the praise of Democrat Rep. Bill Orton, now are crying foul.

Jackie de Gaston, of Orem, speaking for Utahns for Ethical Government, told *The Daily Herald* Thursday that Orton and Sheldon Kinsel, Orton's chief staff member, were involved in the formation and operation of Utahns for Ethical Government.

Both Orton and Kinsel deny the accusations as does one of the UEG founders.

Kinsel said he attended UEG meetings, but said he had no major role in the foundation or dissemination of any of the information.

Scott Norton, who acted as spokesman and was one of the founders for UEG, said, "She (de Gaston) wasn't involved in any way shape or form with any of it. I don't know where she gets off trying to be a spokesman or anything."

The Daily Herald has tried since Thursday afternoon to get comment from de Gaston following the press conference, but has been unsuccessful in attempts to reach her.

The claims, made four days before the election, stem back two years to the election race between Orton and Republican candidate Karl Snow.

At that time, a group of Utah Valley residents stepped forward, claiming displeasure with the results of both the primary election and the bipartisan race. In addition to UEG, Republicans for Orton, stepped forward to offer support.

In an eight-page statement, issued in a press conference at the State Capitol Thursday, de Gaston detailed the formation and incidents surrounding the two groups. She said, "As one of only four principals involved in that brilliant expose, Sheldon probably played a significant role as the only Democrat, political strategist, and link to the main Orton office."

Kinsel said he knew nothing of the formation, but attended some meetings after learning of it, and how the group planned to use information about Snow to further Orton's campaign.



Bill Orton — Jackie de Gaston

He admitted he had been a campaign worker for Orton, but quit the campaign after an exchange of words with Orton over the "Snow material."

"Sheldon felt strongly that it was my obligation to use (the Snow material)," said Orton. "I expressed to him that it didn't have anything that would affect the country, and I wouldn't comment on it."

He added that Kinsel "quit, said he was leaving, resigned from the campaign and I didn't talk to him until after the election."

Norton said, "I remember me talking with Eric Schultzke (a student who wrote about the Snow material) and I said, 'Would you like to get this pushed out a little further.' "

"That was the initial plan," Norton said. "Two nights after that we went to a meeting at her (de Gaston's) house, and we decided that we didn't want to have anything to do with her."

"No, I didn't contact Sheldon," Norton said. "He must of given me a call. I didn't call him."

Kinsel was rehired by Orton in January following the election. He was hired in the same manner that the other office employees were hired; submit a resume, hold an interview, and evaluation.

Orton emphasized that he hired a Republican at the same time that he hired Kinsel.

American Heart Association

9704383016 6

November 6, 1992

SHELDON KINZEL, BILL ORTON'S CHIEF STAFF, AND EVEN BILL ORTON HIMSELF, WERE INVOLVED IN THE FORMATION AND OPERATIONS OF UTAHNS FOR ETHICAL GOVERNMENT THAT DID THE POLITICAL EXPOSE ON KARL SNOW IN 1990.

-- A personal narrative and analysis of the defeat of Karl Snow in 1990 and the default victory of Bill Orton

Around the middle of October of 1990 after reading the articles by Eric Shultzke in the Student Review about Karl Snow's involvement with Mike Strand and also receiving a phone call from Percy Kalt I became motivated to do something about Karl Snow. I could hardly sleep at night because of his background and the fact that he was walking into a Congressional seat almost unoppossed. Percy Kalt said the same thing to me, so I agreed to help him and try to do something.

Although I actually might have preferred Smith for Congress, I felt that it was not practical, and Bill Orton had a built-in 20-30 percent of the vote as a Democrat. so I decided to help him win the seat by spreading the news about Snow. I called Bill's office, told him I angry and wanted to help him expose Karl Snow, and asked if he knew any other people who might like to engage in such devilment. He gave me the name and number of various people including Sheldon Kinzel, his current chief-of-staff, and I called and spoke with him. There were only seven people in attendance at that meeting which was held Tuesday, October 16, 1992 in my living room. Basically we formed the nucleus of a very exclusive group

9/U43851/

with very limited membership -- Utahns for Ethical Government.

That night we laid plans for the first press conference (which was my idea) to have the three men who had been involved with Mike Strand's penny stock fraud publicly testify against Karl Snow regarding his involvement which he had publicly denied. I suggested this because I thought that the second article in the Student Review written by Eric Schultzke made stock fraud real by showing its effects in the lives of real people. As we split up that evening we spontaneously decided to split the group into two parts -- Utahns for Ethical Government to expose Karl Snow and Republicans for Orton to mount a positive campaign for Bill Orton. Sheldon Kinzel, Ken Murdock, Scott Norton and Eric Schultzke stayed with Utahns for Ethical Government and I was assigned to Republicans for Orton. Percy and Gudrun Kalt were involved only in the press conference.

I had already scheduled a second meeting for Republicans for Orton (the first was billed by me as a planning meeting for the second) in my home that Friday night, October 19, which was my birthday, with Bill Orton speaking, and we decided it would be best to keep the two groups separate in the future to avoid linking Bill Orton to the smear job.

The two groups -- one to attack Karl Snow and one to promote Bill Orton -- did not stay entirely separate however except on the surface. The men in Utahns for Ethical Government put together the press conference and then called on the women in Republicans for Orton to make phone calls to the media to show support for more coverage of the Karl Snow scandal. I personally spoke many times

9704383018

on the phone with Ken Murdock, the man who financed Utahns for Ethical Government even though I was the organizer of Republicans for Orton.

I also spoke on the telephone on a somewhat daily basis for awhile with Bill Orton about the various aspects of our "unconnected efforts" and Bill also spoke regularly with Peggy Burdett who was helping in various non-public ways with both Republicans for Orton and Utahns for Ethical Government. Peggy Burdett also communicated frequently with Ken Murdock about what was happening. I remember that one day she told me that Bill was concerned that Peggy Fugal's second advertisement hadn't appeared yet and he was concerned because "Snow wasn't dead yet". (I don't know if those were his words or just hers!)

One day I tried to go personally to Bill Orton's office and they wouldn't allow me in for fear that Bill would get connected with the expose of Karl Snow. They were confused regarding which group I was with. I was publicly with Republicans for Orton, the "good guys" who were supporting Orton rather than attacking Snow.

Small wonder they were confused; I started both groups and until I got quite sick about the time of Quayle's visit I was involved with both groups, and after that I didn't do much because I was in bed--sick!

Also, regarding the question of the **motives** of those in Utahns for Ethical Government: Sheldon Kinzel--the Democrat who had formerly worked for both Bill Orton and Wayne Owens--undoubtedly wanted to elect Bill Orton and was never connected to John Harmer or Percy Kalt; Ken Murdock confided to me once that he had been

9704383016 9

looking for a way to help elect Bill Orton to Congress and seized on this as a good way to do so but he also knew Percy Kalt; Eric Shultzke was simply by upset by injustice he had seen in the political mudbath in the Republican Primary (he was a relative of John Harmer and had volunteered on his campaign) and said he was also deeply troubled by the personal injury in Percy Kalt's life. I know nothing of the motives of Scott Norton. Other indications of the interconnectedness of the groups were the following:

1. Ken Murdock (who financed UEG) and George Murdock (who conducted so many meetings for Bill Orton with prominent businessmen in Provo and Orem) were brothers, but they even hid that from me for as long as they could. Both were also personal friends and/or business associates of Bill Orton.

2. Eric Schultzke's sister and friends belonged to Republicans for Orton while he was in Utahns for Ethical Government. Both of them brought people to the Quayle rally to protest Karl Snow.

3. There were so few people involved in the various activities that some of the same people were used for both -- promoting Bill Orton and stopping Karl Snow.

Also, in summary, Bill Orton's connectedness is shown by the following:

1. Bill gave me names of people interested in exposing Karl Snow, including his current chief-of-staff Sheldon Kinzel.

2. Bill seemed to keet in contact with the happenings of both groups, sometimes through Peggy Burdett and probably mostly through Sheldon Kinzel and Ken Murdock. (If a record of their phone calls

9704383017 0

independently after that. They kept in contact with me by telephone only.

2) There is still an open investigation going on with the General Counsel of the Federal Elections Commission in Washington, D.C. They could not give out any details except that it was still pending today, Thursday, October 29, 1992 and that they had received my letter on behalf of Republicans for Orton. Simply stated, money in the form of potentially large fines is involved if the two groups get connected together in the Federal Elections Commission investigation (Call 1-800-424-9530 and ask for the status on case MUR 3192 regarding Utahns for Ethical Government, Student Review, Peggy Fugal and Republicans for Orton).

3) Some of the people involved still support Bill Orton and have even benefitted financially from Bill's activities in Congress. For example, I have heard that Murdock International in Springville, owned by Ken Murdock who financed Utahns for Ethical Government, has been helped financially by Bill Orton being in Congress (this came from his brother George).

2. Bill's staff and Bill were <u>very careful</u> to cover up his involvement. Bill's phone calls with me were early in the morning when we were both at home. The frequency of the phone calls with Ken Murdock varied with their needs for assistance in getting media cooperation etc., and it was actually I who suggested to him that it would be wise if he stopped talking with Peggy Burdett and me about everything because the more people who knew the plans of UEG the more likelihood of leaks. Also, many of those involved did not even admit their friendship or biological (relationship) ties to

9704383017 1

one another nor did they indicate who else was involved in the caper. (For example, Peggy Fugal did not know hardly anyone else who was involved or even that Ken Murdock's motivation was to elect Orton). Also, I vaguely recall calling the campaign office and telling them what was about to happen next and they told me that Bill was not even supposed to know about (the attack on Karl Snow). Everyone put a high priority on secrecy.

Also, Sheldon told me that Bill Orton had fired him from his campaign because Sheldon wanted to do "dirty" politics and Bill refused to be involved. If he hated "dirty" politics so much, why did he give me Sheldon Kinzel's name and phone number and why is Sheldon Kinzel now his chief of staff

Jacqueline F. de Gaston

Jacqueline F. de Gaston
505 E. 4750 North
Provo, Utah 84604
(801) 226-2639 or 226-2358

P.S. I can give you phone numbers to contact any of the people involved. Here are some of them:

*** 1) Peggy Burdett (801) 374-2129

2) Mickey Cochran, work -- 377-5454, home - 225-7167 - somewhat supported Republicans for Orton, in background for Utahns for Ethical Government - seems to think Bill not connected but may know more that he might tell in confidence

** 3) Mike Schnable, 966-8651 - figurehead president of Republicans for Orton, appointed by me, knows nothing of Uthans for

9704383017 2

Ethical Government

** 4) Rose Higa, 226-0331 - my next-door neighborhood, appointed secretary of Republicans for Orton by me; knew nothing of Utahns for Ethical Government

* 5) Eric Schultzke, 373-3561 -- wrote the articles exposing Karl Snow, BYU college student who is relative of John Harmer and worked on Harmer campaign - claims doesn't know of Bill Orton's involvement;

*** 6) George Murdock, 225-6065 - brother of Ken Murdock and brought into Republicans for Orton by his brother about half-way through campaign; called me and asked to join and then set up many meetings with influential businessmen in Provo/Orem; Ken and George pretended not to be brothers at first; Only afterwards did we learn of their personal and business connections with Bill Orton; George Murdock probably knows a whole lot more than he wants to tell because of his brother Ken Murdock but he is politically upset with Bill Orton and might talk.

* 7) Ken Murdock, 225-3838 - He is your key man with probably a lot to lose by talking. He financed most of Utahns for Ethical Government. George says his company Murdock International has benefitted financially from Bill Orton being in office, but I do not know details. George will probably be upset about this information being spread even though it is vague. After the election Ken Murdock told me that he had been looking for a way to help Bill Orton elected and saw this (Eric's writings; our upset over John Harmer and Percy Kalt being hurt by Karl Snow) as a way to do so.

9/04/83 01/3

* 8) Scott Norton, 222-9757 -- He is also a key player and may have paid some of the money spent by Utahns for Ethical Government. He is standing by Bill so far as shown by the newspaper story enclosed. He contradicts himself, however, on how much he had to do with me. He was the spokesman and is unhappy that I spoke out. He says he wanted nothing to do with me but met with me two times (once is the correct number and then my contacts were with Ken Murdock and Bill Orton from then on).

* 9) Sheldon Kinzel -- Call at Bill Orton's office or at home in Heber - I no longer have the phone number but I was given it in the first place by Bill Orton. Sheldon does admit more than I thought he would, but his role was hardly minor -- He and Ken Murdock and possible Scott Norton were the main players. Percy Kalt has also said that Sheldon was at some of the meetings to prepare for the press conference to accuse Karl Snow of lying about his link with Mike Strand and the penny stock fraud.

10) Percy Kalt 226-0900 definitely wants confidentiality. He was a victim in the penny stock fraud and in my opinion was used in order to help elect Bill Orton (and unelect Karl Snow). He knows exactly who was involved in the meetings but doesn't know much about the link to Bill. The links to Bill are through Sheldon Kinsel and Ken Murdock as well as Peggy Burdett and me.

11) Peggy Fugal -- home 222-9670 and work 377-6060 - She was sort of a side show but an expensive one; She ran the ugliest ads I have ever seen condemning Karl Snow for not paying past bills to her. She worked through Ken Murdock, but Percy Kalt said she met with them when they were preparing for the press conference. She

9704383017 4

were available -- Sheldon's home was long distance -- the story might be interesting).

3. Bill personally shared with me the results of a survey which he had done (possibly paid for by the Democratic party) which showed that he would win if he could convince the voters that Karl Snow was connected with a convicted penny stock broker.

4. Bill had discussed Eric Shultzke's writings about Karl Snow with him before the formal organization of UEG.

Sheldon Kinzel's involvement is shown by the following:

1) He attended the first organizational meeting where he met Ken Murdock, Scott Norton and Eric Shultzke and planned the first Press Conference.

2) Eric Shultzke has said that Sheldon was very much involved with Utahns for Ethical Government.

3) Once Ken Murdock called me on his car phone when he was driving out Provo Canyon heading to Sheldon's home there in Heber I think.

4) Sheldon Kinzel worked directly for Bill Orton before and after the expose by Utahns for Ethical Government. He was hired by Bill very soon after the election also.

5) Percy Kalt said that Sheldon was involved with UEG in planning the press conferences.

<u>Why isn't anyone else speaking:</u>

1) There were only four people closely involved -- Eric Shultzke, the writer; Ken Murdock, the financer; Scott Norton, the spokesman, and Sheldon Kinzel, the Democratic political strategist. They met at my home October 16, 1990 and then worked mostly

9704383017/5

thinks Bill Orton has done a great job and tells me that she doesn't think Bill had anything to do with any of the smear (which is the typical story for those still supporting Bill Orton). It is also the best way for her to avoid any fines -- just claim her sole objective was to condemn Karl Snow -- within 2 weeks of his election.

12) Herb Gleason - one of the three victims used in the press conference - supposedly in Bountiful but I was unable to get a phone number.

13) John Darger - third of the three victims used in the press conference - lives near Bluffdale or Riverton 254-3326 - and his brother is a partner in Bill Orton's law firm - and there are also other ties between the law firm and the penny stock fraud, so Bill Orton was well aware of the details of Karl Snow's involvement.

Almost none of the Republicans for Orton people (except for me, Peggy Burdett, George Murdock, Mickey Cochran, Eric Shultzke's sister Kristen) knew anything about Utahns for Ethical Government and none attended the first meeting on October 16, 1990 (Peggy Burdett, George Murdock & Mickey Cochran may have known about it), and basically none of the Utahns for Ethical Government are talking because they still support Bill Orton except for Eric Schultzke. One of the best sources of information is George Murdock since he was nominally Republicans for Orton (not UEG) and yet was brother of Ken Murdock who paid the bills for UEG. No doubt he knows most of what there is to know. Ken Murdock let things slip to me after the election ("I had been looking for a way to elect Bill Orton and

0 / 0 0 0 4 2 / 7

saw this as a way to do so").

Overall, our goal of keeping things secret was very successful! Of the people who were involved in both groups, some are and some are not still supporting Bill Orton.

* Utahns for Ethical Government

** Republicans for Orton

*** Best sources of information

9704383017 7

BILL ORTON
U S C O N G R E S S

OGC 9024

RECEIVED
FEDERAL ELECTION COMMISSION
92 DEC 22 AM 4:21

December 9, 1992

Joan D. Aikens, Chairman
Federal Election Commission
Washington, D.C. 20463

Attn: Craig D. Reffner
Re: MUR 3192

Dear Ms. Aikens,

I am in receipt of your letter dated November 24, 1992, which was received in my Washington D.C. office on November 30 following the Thanksgiving weekend.

I just returned to Washington on Monday for the Democratic Caucus Organization meetings and discovered your notice which provides only fifteen days for a response. All of the files on this matter and all of the individuals involved are located in Utah. In order to properly respond to your letter, it is necessary to travel to Utah to gather information, evidence, and affidavits. Therefore, I respectfully request an extension of time to respond until some date after the Christmas holidays and convening of the 103rd Congress on January 5, 1993.

Thank you for your cooperation in this matter.

Sincerely,

William H. Orton,
Member of Congress

9704383018

388 East 1300 South
Orem, Utah 84058
(801) 226-7866

Paid for by Orton For Congress

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

December 17, 1992

The Honorable William H. Orton
United States House of Representatives
1723 Longworth
House Office Building
Washington D.C. 20515

RE: MUR 3192
The Honorable William H. Orton
United States House of Representatives

Orton for Congress and
Steven R. Schone, Treasurer

Dear Mr. Orton:

This is in response to your letter dated December 9, 1992, which we received on December 15, 1992, requesting an extension until January 5, 1993, to respond to the Commission's reason-to-believe finding. It is also my understanding, based upon our telephone conversation on December 16, 1992, that your request for an extension is being made on behalf of yourself and your principle campaign committee, Orton for Congress and Steven R. Schone, as treasurer.

You should be aware that this Office does not generally grant extensions which are submitted within five days of the date that a response is due. However, after considering the circumstances presented in your letter as well as our December 16, 1992 telephone conversation, the Office of the General Counsel has granted the requested extension. Accordingly, your response is due by the close of business on January 5, 1993.

If you have any questions, please contact me at (202) 219-3690.

Sincerely,

Craig Douglas Reffner
Attorney

9704383017 9

December 24th, 1992

RECEIVED
FEDERAL ELECTION
COMMISSION
ADMINISTRATIVE DIVISION
Dec 24 8 51 AM '92

Federal Elections Commission
Craig D. Reffner
FAX 202 376-5280
[redacted]

RE: Acknowledgement of letter dated November 24th, 1992

Dear Mr. Reffner:

Your correspondence of November 24th, 1992 reached me today. The reason for the delay was that the letter was sent to a P.O. Box that I no longer use. Please address all further correspondence regarding this matter to:

Scott Norton
4230 Scenic Dr.
Provo, Utah 84604

93 JAN 15 PM 4:40

As yet, I haven't had time to digest the contents of the letter, but I will prepare a respose before [redacted] day deadline has expired.

Thank You,
Scott Norton

9704383018O

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIN COPY ROOM

BEFORE THE FEDERAL ELECTION COMMISSION Jan 4 10 40 AM '93

In the Matter of)

) MUR 3192

)

93 JAN -4 PM 1:40

ANSWERS TO INTERROGATORIES
AND REQUEST FOR PRODUCTION OF DOCUMENTS

RESPONDENTS: Peggy Fugal

Fugal & Fugal, Inc., and
Peggy Fugal, as an officer

1. With regard to the 1990 newspaper advertisement which you have acknowledged placing in opposition to Karl Snow's 1990 election campaign:

a. explain the circumstances surrounding the publication of this advertisement and identify each person who was involved in the making of this advertisement, including each person who prepared, designed, reviewed, approved, and/or authorized it;

ANSWER. Please refer to my letter dated December 14, 1990, addressed to Lawrence Noble, General Counsel, already in the Commission's possession. As indicated in that letter, I personally performed the production, placement and payment of the advertisement in question. To my recollection, no one else was involved, though others may have seen the ad prior to its publication. I did send a copy of the ad to my attorney, Thomas J. Scribner, of Watson, Scribner & Burrows, 2696 North University Ave., Suite 220, Provo, Utah 84604 (801) 375-5600, to check to the ad for any possible slander exposure, to which it was confirmed there was none.

I had been attempting to collect a six-year-old debt for advertising services from Mr. Snow. In his campaign interviews, as reported by *The Daily Herald*, Mr. Snow repeatedly slandered me, my services and the charges at issue. Because the newspaper was not, in my opinion, offering a fair opportunity for me to rebut Mr. Snow's accusations, I determined to buy an advertisement in the same paper. Accordingly, I felt the best way to vindicate myself and explain my position was to take out the ad. Obviously, at the time I published the advertisement I was unaware such action might be in breach of the federal regulations in question and had no idea of any restrictions in my opposition to a candidate. As soon as I was made aware of the requirements I

9704383018 1

made every effort to comply and report to this commission.

b. state whether this advertisement was paid for by you or by Fugal & Fugal, Inc., identify the person(s) who paid for it; and

ANSWER. The decision to print the advertisement was a personal one. However, because of the nature of my business as an advertising agency and working relationship with the newspaper that printed the ad, I am certain the billing for the ad went through the normal business billing channels of Peggy Fugal Advertising, a division of Fugal & Fugal, Inc. I have personally repaid the business for the cost of advertisement.

c. state the total costs incurred in connection with this advertisement, including all costs, such as labor, supplies, etc., incurred in preparing, copying, designing, reviewing and publishing it.

ANSWER. Because this project was personally done by myself, the only costs involved would be *de minimis* costs for supplies. Otherwise, the only cost involved was the actual cost of the ad in the newspaper, as well as a minimal cost for review by my attorney, Mr. Scribner.

2. Identify any other payments and/or expenditures you and/or Fugal & Fugal, Inc., made in connection with the 1990 election in Utah's Third Congressional District.

ANSWER. Neither myself nor Fugal & Fugal, Inc. made any other contributions to any candidate for Utah's Third Congressional District. As explained above, the ad in question was not believed to be a contribution at the time it was made.

Produce all documents that are referred to or relate to the answers to these questions and any other documents related to the 1990 election in Idaho's [sic] Third Congressional District.

RESPONSE. All documents relevant to this matter are believed to already be in the possession of the Commission.

I, Peggy Fugal, individually and as an officer of Fugal & Fugal, Inc., acknowledge that I signed the above instrument, under oath, and that the contents contained therein are true and correct to the best of my information and belief.

DATED this 29 day of December, 1992

Fugal

Peggy Fugal

9104380182

MAILING CERTIFICATE

I hereby certify that I mailed a true and correct copy of the foregoing, with postage prepaid thereon, to the following, this 29 day of December, 1992:

Office of the General Counsel
Federal Election Commission
Room 659
999 E. Street, N.W.,
Washington, D.C. 20463

Gayle Warren
SECRETARY

97043830183

BILL ORTON
3D DISTRICT, UTAH

OGC 8126

Congress of the United States
House of Representatives
Washington, DC 20515

January 2, 1993

Ms. Joan D. Aikens, Chairman
Federal Election Commission
Washington, D.C. 20463

93 JAN -5 PM 12:34

RECEIVED
FEDERAL ELECTION COMMISSION

RE: MUR 3192
The Honorable William H. Orton
United States House of Representatives

Respondents: William H. Orton
Orton for Congress and
Steven R. Schone, as Treasurer

Dear Mr. Reffner:

The conclusions reached by the FEC in the notice and memorandum issued on November 24, 1992 are absolutely specious and based upon grossly erroneous assumptions rather than fact.

Please refer to FEDERAL ELECTION COMMISSION FACTUAL AND LEGAL ANALYSIS, MUR: 3192. Regarding, the statements of "fact" on pages 1 through 3, I cannot respond regarding activities of Republicans for Orton (ROF) or Utahns for Ethical Government (Utahns), because I was not involved in any way with either group and was unaware of any activities other than those activities specifically referenced herein.

The statements of "fact" on pages 4 through 6 regarding my activities and those of Orton for Congress are incomplete or inaccurate, and the conclusions based thereon are ludicrous beyond belief.

Under 2 U.S.C. Sec, 441a(a)(7)(B)(i), an independent expenditure is defined as:

> "an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with or at the request or suggestion of, any candidate or agent of such candidate."

9704383018 4

The Commission's regulations at 11 C.F.R. Sec 109.1(b)(4)(i) define "made with the cooperation or with the prior consent of, or in consultation with, or at the request or suggestion of, a candidate" to mean any arrangement, coordination, or direction by the candidate or his or her agent prior to the publication, distribution, display, or broadcast of the communication and further presumes the expenditure to be so made when it is:

> (A) Based on information about the candidate's plans, projects, or needs provided to the expending person by the candidate, or by the candidate's agents, with a view toward having an expenditure made;
>
> (B) Made by or through any person who is, or has been authorized to raise or expend funds, who is or has been an officer of an authorized committee, or who is, or has been, receiving any form of compensation or reimbursement from the candidate, the candidate's committee or agent.

To the best of my knowledge, all expenditures made by Republicans for Orton and Utahn's for Ethical Government meet the specific definition of "independent expenditures" as outlined in the code and regulations and therefore are not reportable by the Orton for Congress Committee. Neither I nor my committee, nor any agent of myself or my committee, nor any person described under (B) above, have ever, at any time, provided any information about the plans, projects or needs of my election campaign. Neither have we ever at any time cooperated with, consulted with, authorized, requested, or suggested that any expenditure be made by anyone outside the authorized committee and specifically not anyone connected with the groups in question, Republicans for Orton and Utahn's for Ethical Government.

<u>ALLEGATIONS REGARDING UTAHN'S FOR ETHICAL GOVERNMENT:</u> (Hereafter referred to as Utahn's). Page 2 of the "FACTUAL AND LEGAL ANALYSIS" recites the allegation that "Scott Norton, Mr. Orton's 'long time friend' and the 'leader' of the Utahn's, asked Mr. Orton how 'he might help' distribute the news articles from the <u>Review</u>. In addition, the complainant asserts that the materials purportedly prepared by the Utahn's were provided to Mr. Orton's campaign and subsequently distributed during Karl Snow's political rally by the members of the Utahn's and campaign workers for William Orton." There are numerous inaccuracies and false statements in this allegation which have been previously refuted in sworn statements by myself dated December 24, 1990 and Mr. Norton dated January 10, 1991.

9704383018 5

Mr. Norton could not be defined as a "long time friend", since I had known him in the early 1980's but had spoken to him only once or twice since 1985. I had only two conversations with Mr. Norton regarding the 1990 campaign. The first discussion was in April when I asked for a campaign contribution (which was denied) and the second in October 1990 when he urged me to expose Mr. Snow's involvement in a penny stock promotion. He did not ask how "he might help distribute the news", rather, he urged me to do so. I have not seen or spoken with Mr. Norton since that conversation in 1990 when I refused to have any involvement in the matter. None of the materials prepared by Utahn's were provided to me or my committee, nor were they discussed, reviewed, coordinated, directed, or even known of prior to their publication. No one involved in my campaign ever participated in any publication or distribution of materials prepared by the Utahn's.

The conclusion reached on page 6 paragraph 2 that, "Although the details of their conversation are not known, Mr. Orton's expressed refusal to become involved in publicizing the allegations against Mr. Snow may have conveyed the message that Mr. Norton should undertake this activity, so as to taint the independence of the Utahn's expenditures" is so patently absurd and ludicrous that it hardly deserves response. Please outline the legal theory or precedent wherein a refusal to act or become involved can meet the criteria outlined in 2 U.S.C. Sec. 441(a) and 434(b) or the Regulations at 11 C.F.R. Sec 109.1. How does expressed refusal to become involved meet the statutory definition of: "made with the cooperation or with the prior consent of, or in consultation with, or at the request or suggestion of, a candidate"; or "mean any arrangement, coordination, or direction by the candidate or his agent"; or "based on information about the candidate's plans, projects, or needs provided to the expending person by the candidate"? There is absolutely no factual basis for the inference and conclusion reached on page 6 paragraph 3 that "in conclusion, it appears that the Utahns made their expenditures in coordination with William Orton's campaign." The conclusion is absolutely false, incorrect, insupportable by the facts and evidence and must be rejected absolutely.

ALLEGATIONS REGARDING REPUBLICANS FOR ORTON: (Hereafter referred to as RFO). During the 1990 campaign there were numerous individuals who identified themselves as Republicans who supported my campaign with contributions and volunteer efforts. These contributions included posting my campaign signs on their property, invitations to home cottage meetings, public endorsements, volunteer time, and some cash contributions. All such contributions to my campaign or expenditures made or coordinated in behalf of my campaign were properly reported on FEC reports.

9104300186

I am not aware of any formal organization of a group named Republicans for Orton, all were grass roots volunteers. However, in Utah County there were a few Republicans who did not wish to contribute cash or volunteer time to my campaign, but wanted to work against my opponent, Karl Snow. I do not know if their motivation and intent was to help elect me or defeat Snow. Several former campaign workers from the John Harmer campaign (Snow's Republican primary opponent) became vocal opponents of Mr. Snow and even requested and obtained Orton campaign signs and literature. I was skeptical of their motivation and therefore had very little contact with them and certainly did not discuss my campaign plans or needs with them. Jacqueline de Gaston, Mike Schnabel, and Micky Cochran were three such Harmer campaign workers whose motives I did not trust. Ms. de Gaston telephoned my home several times during the campaign in what I considered to be attempts to obtain information from me concerning my campaign strategy. I did not direct, request, suggest, coordinate, or even discuss information about my campaign plans or needs and did not authorize any activities on their part other than posting my campaign signs in their yards and distributing my literature to their friends.

I did not attend RFO meetings as alleged. Mr. Murdock was a prominent businessman in Provo, whom I had known for several years. He invited me to come to his home for lunch and meet several of his neighbors and business colleagues to discuss my positions on various political issues such as education, the deficit, tax policy, foreign trade, and defense. This was not a meeting of RFO, or any other organized group, but rather an informal home cottage meeting where I was invited to meet neighbors and friends interested in knowing my position on issues. I did not discuss campaign plans, strategies, projects, needs or any other topics other than my positions on issues. I did not know Ms. de Gaston or Mr. Schnabel prior to the Murdock cottage meeting, and I do not recall meeting either of them at that meeting. They may have been present, but I do not recall them and they certainly had nothing to do with the events of the meeting. It was after the Murdock meeting that I first recall Ms. de Gaston contacting me by telephone. I never discussed the organization or activities of ROF with de Gaston or any other person.

Through Mr. Murdock I became acquainted with Mr. Doug Marriott, another prominent Provo businessman who invited me to his home for a similar meeting. The mayor of Orem and several other prominent Republicans in the community came at his invitation to meet me and hear my political positions on issues. I discussed only political issues and did not mention or discuss the political campaign needs, projects, strategies, or any other topic which could be interpreted as cooperation, consultation, authorization, request or suggestion as outlined in the statute.

9704383018 7

Messrs. Murdock and Marriott and several other people who attended their cottage meetings asked for my campaign signs to place in their yards. We accommodated their requests, and shortly thereafter we noticed banners "REPUBLICANS FOR" had been pasted over some of our signs (specifically in Murdock's yard) and on a few of our signs placed in other locations. (There were not several hundred banners as alleged in the complaint, but rather several and certainly not more than a dozen or two. The banners were only placed on 4ft X 8ft signs. The Orton campaign only printed 150 4 X 8 signs which were distributed over 35,000 square miles of the Utah Third District. There were not more that a few dozen in all of Utah County.) Since these banners were first noticed in Murdock's yard and then at other locations, we contacted Mr. Murdock to ask if he had been placing the banners over our signs and if so to please refrain from doing so on any signs not on his property. It was reported that it was Mr. Murdock's father who had become somewhat overzealous in placing the banners. Shortly thereafter the banners were removed from Orton signs not located on Murdock property. After that time, it appears that Mr. Murdock and some other individuals had their own signs printed which had an elephant hugging a donkey and the statement 'Republicans for Orton'. I am not aware of more than a few dozen signs and T-shirts which were printed. Neither I nor my campaign committee authorized, approved, coordinated, arranged, or directed the printing or placement of such signs or T-shirts. Mr. Murdock has indicated subsequently to the FEC that the costs expended for such signs and shirts was only a few hundred dollars. I am not aware of any other expenditures which were made, and I do not know of any newspaper advertisements which were placed or any coordination of rallies or distribution of literature.

I am not aware of other activities of de Gaston, Schnabel, Cochran or others. I did not coordinate, authorize, approve, or in any way cooperate in any activities other than speaking on political issues at cottage meetings, and distribution of my authorized campaign signs, shirts, and literature.

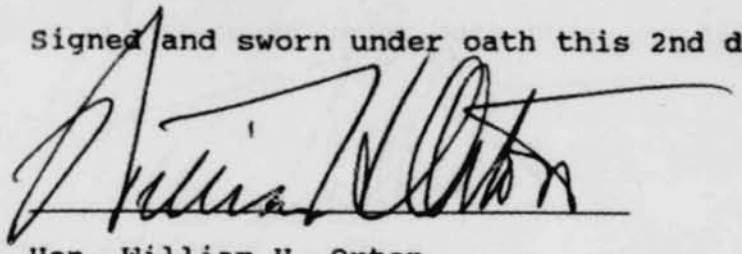
Subsequent to the activities of the 1990 campaign, it has come to my attention that Ms. de Gaston has made certain allegations which are not the subject of this complaint and response, but which refer to this FEC investigation. Ms. de Gaston was a campaign worker for my 1992 Republican opponent, Mr. Richard Harrington. She held a press conference on October 29, 1992 in which she made several false allegations regarding my involvement in 1990 activities and publicly disclosed the existence and details of your investigation of the complaint (even citing the complaint identification MUR 3192, and the FEC toll-free number to call for verification). The Harrington campaign then published advertisements in the newspapers alleging my violation of FEC laws as a campaign issue. (See attached copy of full page newspaper advertizement).

9704383018 8

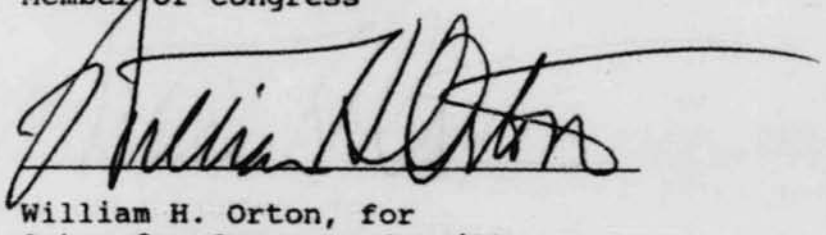
It is clear that these allegations are politically motivated. It is equally clear that there is absolutely no factual basis for any of the allegations or the conclusions reached in the FEC Factual and Legal Analysis.

Therefore, I respectfully submit that the investigation entitled MUR 3192 be concluded and that Ms. Jackie de Gaston, Mr. Mike Schnable, Mr. Richard Harrington, and the Richard Harrington for Congress Committee be prosecuted for the blatant violation of the anti-disclosure provisions of 2 U.S.C. Sections 437g(a)(4)(B) and 437g(a)(12)(A).

Signed and sworn under oath this 2nd day of January, 1992.



Hon. William H. Orton,
Member of Congress



William H. Orton, for
Orton for Congress Committee

WHO/sk

9704383001189

Vote for
Richard Harrington!

A Message from
Republicans *formerly* for Orton

Two years ago, in the Third Congressional District election, this organization was formed in the wake of the mud-bath that destroyed the Republican candidates John Harmer and Karl Snow for the purpose of supporting and electing Bill Orton, whom we wanted to believe was a conservative.

Even as we successfully accomplished our mission, some of us had reservations that we may have "created a monster."

Bill Orton's voting record over the past two years has confirmed our fears. His record irrevocably confirms that he is not a real conservative. He has successfully led the voters to believe that he is conservative with a few "showcase" votes and a lot of political rhetoric. His voting record shows him to be a partisan Democrat who is supported by big labor unions and who votes their agenda.

He has also voted for all the liberal Democratic Congressional leadership along with their ultra-liberal philosophies. He has also publicly stated on KTVX, Rod Decker's "Take Two" program that he will be voting for Bill Clinton for President.

We can no longer tolerate Mr. Orton's deception or support his re-election. We are publicly shifting our support to Republican, Richard Harrington, who we know is a conservative, and for the good of our district, our state and our nation we urge all Third District voters to do the same.

Respectfully,

Mike Schnable, President

Jacklie de Gaston, Treasurer

A spokesman for Republicans FORMERLY for Orton and Utahns for Ethical Government has recently disclosed:

- Bill Orton helped organize Utahns for Ethical Government and then lied about his involvement in the smear campaign that defeated Karl Snow in 1990.
- Bill Orton is being investigated by the Federal Election Commission for violations of regulations in helping to organize and advise these "independent" organizations.
- Bill Orton's law firm had deep ties with the penny stock fraud that was used to smear Karl Snow.

We were deceived once. NEVER AGAIN.

Paid by the Richard Harrington for Congress Committee

9704383019 0

OGC 8134

RECEIVED
FEDERAL ELECTION COMMISSION
SEC.
93 JAN -6 PM 12:48

January 2, 1993

Federal Election Commission
Craig D. Reffner
FAX 202 219-3923
MUR 3192

Dear Mr. Reffner,

Now that the holidays are over, I have had the time to review your letter dated November 24th, 1992, which I received December 24th, 1992. The P.O. Box that the correspondence was sent to is no longer mine and I still don't know how your letter arrived. In fact, I only found it on my desk at home without an envelope. Apparently someone left it with one of my children while I was at work.

The timeliness of your correspondence suggests that it is prompted by the recent campaign efforts of Jackie de Gaston. I do not have first hand knowledge of her work for Richard Harrington, the Republican opponent of Bill Orton, but the Independent candidate, Wayne Hill, related to me Ms. de Gaston's strenuous efforts to induce him to not run for office against Richard Harrington. Mr. Hill is well acquainted with Ms. de Gaston and stated to me that she was a close friend of Harrington and was fanatically involved with his campaign to the point of harassing Mr. Hill and his wife so as to cause them hang up when she called, rather than become embroiled in another "get out of the race, you're hurting my candidate" diatribe.

Ms. de Gaston has stated that she organized and directed the efforts of Utahn's For Ethical Government. She has also publicized the details of your investigation. I should really review the confidentiality sections of your code, since you refer to it every time you write. However, for the record, let me state that Ms. de Gaston did not organize UEG or direct its efforts. Her only involvement, other than imaginary, was that Eric Schulzke and I went to a meeting of people hurt buy Karl Snow's stock scam and their friends which was held at her house. Eric and I had already chosen a name and begun to make plans by this time.

While you did not refer to Ms. de Gaston in your correspondence, I have to say, that her actions cannot be anything other than politically motivated. She apparently is a close friend with the Republican candidate Richard Harrington. She was a member of his campaign staff. Her "revelations" were revealed just four days before the election and she was more concerned with holding a press conference in the State Capital building than righting any wrongs.

Simply put, I hardly know who this woman is. She tried to get some press coverage with a desperate and fanciful expose whose only aim was to discredit Bill Orton.

Now, to answer the specific charges in your last correspondence.

My layman's analysis of your legal analysis indicates that there are three main charges to be dealt with:

1. The actions of Utahns for Ethical Government was in some way the result of candidate Bill Orton's inducements.
2. The disclaimers on UEG printed material were not sufficient.
3. UEG reported their fiscal activity in an untimely manner.

9104583019 1

Did Bill Orton in any way influence me in my actions?

I think that the best way to look at the first charge is to review my frame of mind when I became involved with Utahn's For Ethical Government.

During the 1990 Republican primary campaign between the front runner John Harmer and Karl Snow a group of four lawyers from around the state suddenly came forward and announced that they would undertake to review the financial dealings of John Harmer at their own expense and produce a report. This "independent review" was challenged by John Harmer, so the lawyers amended their review to include Karl Snow's financial dealings. This "independent" financial review was delivered to the press the week before the primary election and portrayed John Harmer's fiscal dealings as "shady" at best, while the same report exonerated Karl Snow.

It didn't take a political scientist to see that the report was a plain and simple "dirty trick" and that it originated in the Karl Snow campaign headquarters. At this time I was an observer and I suppose it was OK by me if the Republicans needed to play their dirty tricks on each other. However, while eating a taco at a local establishment I read an article by Eric Schultzke detailing Karl Snow's involvement with a penny stock scam that was really quite serious. Perhaps it was the hot sauce, but I felt that the staff associated with the Karl Snow campaign and the four lawyers who did the review ought to feel a little heat.

Now I relate this to indicate my frame of mind when I urged Mr. Orton to expose these rascals. By turning away my suggestion did he somehow plant his own? This is what your legal analysis suggests, but I need to state here that it was my idea that something should be done, before I talked to Bill Orton. I will also relate how my inclinations led to UEG.

I inherited a tendency toward futile gestures from my father. It was my intention to reprint Eric Schultzke's article in the *Deseret News* so that everybody could see it and this is what I suggested to Eric when we met for the first time. Now let me explain that I publish a full page ad in connection with my business every week, so it was a natural thing for me. At this first meeting with Eric the name Utahn's For Ethical Government was chosen and he told me about a meeting of people who had been hurt by Karl Snow's penny stock scam and their friends. He was apparently aware of the meeting because he was acquainted with the people who had been hurt. We agreed to meet again at this meeting and I would have some costs for the full page ad in the *Deseret News*.

The meeting we attended was at Jackie de Gaston's house. Eric and I left the meeting early because some of the people in the meeting were really flaky. The kind that chain themselves to bulldozers. Eric and I sat in my car to talk. For my own part I was still pursuing the concept of "expose the rascals", but the cost of a full page ad in the *Deseret News* was many times that of our local paper and I couldn't afford it. Eric and I discussed a much smaller ad and dismissed that idea. Next came the concept of a press conference. The cost was minimal and could possibly get the job done. Additionally, we would look at doing an insert as this was within our budget which, at this time was limited to the relative cost of an ad in the local paper.

One result of the decision to do a press conference was that we naturally linked up with some of the people hurt by the stock scam and their friends. From this nucleus came the financing for an extended effort. As we went along we discovered more and more people with a grudge against Karl Snow and willing to match their grudge with money. An example would be Peggy Fugal, who we turned to for help with our press conference. She had provided the campaign materials for Mr. Snow's bid for Governor and had not been paid. She was really willing to help embarrass him.

Frankly, I was unprepared to get in front of reporters and personally expose Karl Snow, but I

9704383019 2

found myself in the center of this with more people joining all the time. Additionally there was real hurt to many people and they would be doing the talking so I also did my part.

The activities of UEG grew from me wanting to make a "futile gesture" to show the people responsible for the lawyers "dirty tricks" report that they couldn't do something like that with out somebody doing something, to a press conference, insert, a couple of ads and some radio spots.

If I could have afforded the original display ad it probably would have ended there. Because I couldn't Eric and I went to plan "B", the press conference and an insert. Because of the rather surprising help from others, the insert turned out better than newsprint and black ink as we originally planned and we got a lot more printed. The rest of UEG activities were more in response to Republican threats and accusations than anything else.

I only offer this rambling recollection to illuminate how the whole thing got started. Did Mr. Orton instigate it? No. Did he somehow plant the idea in my head? No, the idea was there and the genetic inclination was present. It was my idea to expose the rascals. It's just that the idea more or less got beyond what I originally had in mind. I had no idea how many people were hurt by the stock scam and how deeply angry they were.

For the record, let me say that after reviewing the specific wording of your legal analysis, I can state that I embarked on my efforts with UEG without the cooperation of, prior consent of, consultation with, at the request of, suggestion of, by arrangement with, in coordination with, at the direction of, any candidate. My actions were not based on any candidates plans, projects, or needs and I strongly believe that the expenditures of UEG qualify as independent expenditures.

9704383013

Were the disclaimers on the Utahn's for Ethical Government's material sufficient to identify their origin and purpose?

Your legal analysis pointed to the UEG insert as being insufficient in its disclaimer. If the issue is: Did UEG intend in any way to deceive or misdirect the public with the disclaimer; I think the answer would be absolutely not.

What most people don't realize, is that it was only three weeks from the time I first met with Eric Schulzke to election day. When this insert was printed we were a week old! We made our best effort to describe who we were and what we were doing. If we want to discuss semantics, I think a case can be made that "This publication is a product of..." not only identifies that is was paid for by UEG, but is better English. There is no indication of any kind, that UEG intended to mislead the public and additionally there is no evidence that the public did not clearly understand that the insert was paid for by UEG, an independent, citizen group.

Did UEG report their finances in an untimely manner?

Nolo contendere. But please do not overlook that UEG could be that rare beauty, a real independent, citizen group. Owing to the inexperience and evolving nature of our efforts, it was never contemplated that we were required to report until a *Deseret News* reporter informed us that we were. If my original intention had been carried out, then I wouldn't have been required to file. If we had stopped with the basic insert we planned; we wouldn't have been required to report. As I said, the

UEG effort evolved from my idea of a gesture to what it became in just three weeks.

As soon as we were aware that we needed to file, we did so immediately. As a candidate, I should be expected to know what the rules are in a Federal election. As a last minute citizen protest, a little slack in this regard wouldn't destroy the fabric of society or corrupt the political process beyond what we know of it.

I am unaware of any legal council in Utah who is qualified to advise me as to pre-probable cause conciliation and in the absense of legal council it seems to me that I should request pre-probable cause conciliation in regards the charges of untimely filing of reports. Is there any more information that you can give me on this subject? How to go about it? When it should be done?

Thank you in advance,

Scott Norton

Please address further correspondence to:

Scott Norton
4230 Scenic Dr.
Provo, Utah
84604

9704383019 4

LAW OFFICES OF
Watson & Scribner
ATTORNEYS AND COUNSELORS AT LAW
2696 N. UNIVERSITY AVE., SUITE 230
PROVO, UTAH 84604

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL COPY ROOM
JAN 11 11 14 AM '93

WAYNE B. WATSON, P.C.
A Professional Corporation
THOMAS J. SCRIBNER, P.C.
A Professional Corporation

6 January 1993

TELEPHONE:
(801) 375-5600
IN SALT LAKE CITY:
222-0752
FACSIMILE:
375-5607

JAN 11 PM 3:05

Office of the General Counsel
Federal Election Commission
Room 659
999 E. Street, N.W.
Washington, D.C. 20463

Re: Mur #3192

Dear Sir/Madam:

Please find enclosed the original signed statement of designation of counsel assigning myself as counsel of record in this matter. This follows up the statement of designation of counsel you received by facsimile in the last few days. I look forward to an amicable solution of these problems between the parties. If you have any questions, please feel free to contact me.

Sincerely,

Thomas J. Scribner
Attorney at Law

TJS/gw
enclosure

9704383019 5

STATEMENT OF DESIGNATION OF COUNSEL

MUR 3192

NAME OF COUNSEL: Thomas J. Scribner

ADDRESS: 2696 North University Ave.
Suite 220
Provo, Utah 84604

TELEPHONE: (801) 375-5600

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

12/17/82
Date

Peggy Fugal
Signature

RESPONDENT'S NAME: Peggy Fugal

ADDRESS: 950 North University Ave.
Provo, Utah 84604

HOME PHONE: 375-4185

BUSINESS PHONE: 375-6060

9704383019 96

OGC 8186

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL COPY ROOM

JAN 11 9 12 AM '93

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

) MUR 3192

)

93 JAN 11 PM 3:09

REQUEST FOR PRE-PROBABLE CAUSE CONCILIATION

Office of the General Counsel
Federal Election Commission, Room 659
999 E. Street, N.W.
Washington, D.C.

Dear Office of General Counsel:

Please accept this letter as a formal request for Pre-Probable Cause conciliation, pursuant to your letter of November 24, 1992 and 11 C.F.R. §111.18 (d). It is believed this matter can and should be resolved without further formal adjudication. If you have any questions regarding this request, or if you are interested in pursuing conciliation at this juncture, please contact my attorney, Thomas J. Scribner, of Watson & Scribner, 2696 North University Ave., Suite 220, Provo, Utah 84604 (801) 375-5600.

Sincerely,

Peggy Fugal,
Individually and as officer
of Fugal & Fugal, Inc.

9704383001 97

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

Dec 1 3 32 PM '94

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the matter of)
William Orton, et al.) MUR 3192
)

GENERAL COUNSEL'S REPORT

I. INTRODUCTION AND EXECUTIVE SUMMARY

This matter, which was generated by a complaint filed by Sheldon Bradshaw, concerns events surrounding the 1990 election for U. S. Representative from Utah's Third Congressional District. Based on the complaint and the responses thereto, the Commission found reason to believe that several individuals and organizations violated various provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The central allegations involve possible coordination and/or consultation between William Orton, who won the election, and two groups that made ostensibly independent expenditures on his behalf or in opposition to his opponent.[1]

One of the groups, Utahns for Ethical Government ("UEG"), is a political committee registered with the Commission. It reported raising more than $11,000 in October, 1990, and spending the entire amount on purportedly independent expenditures in opposition to Orton's opponent, Karl Snow. However, it neither registered nor reported until several days after the election.

---

1. If such coordination and/or consultation occurred, it would impair the independence of the expenditures. 2 U.S.C. § 431(17).

9104383019 8

There appear to have been at least two points of potential coordination between Orton's campaign and UEG. First, a staff member of Orton's campaign, Sheldon Kinsel, left the campaign and participated in UEG's activities. Kinsel purportedly left the campaign after having a disagreement with Orton over whether to publicize certain allegations against Snow. Kinsel then apparently joined UEG, which proceeded to publicize the same allegations. Second, UEG's founder and treasurer, Scott Lee Norton, averred that UEG was not formed until after Orton told him that the Orton campaign was not going to publicize the allegations against Snow.

The other group, Republicans for Orton ("RFO"), is an unregistered, unincorporated organization that appears to have conducted activity in support of Orton's candidacy. The evidence acquired to date indicates that RFO made less than $1,000 in purportedly independent expenditures. However, RFO's treasurer, Jacqueline de Gaston, and Peggy Burdett, who also claimed to have been active in RFO, alleged that Orton was regularly kept apprised of RFO's activities. Additionally, it appears that an appearance by Orton at the home of George Murdock, also an RFO member, may have been a catalyst for some of RFO's activities in support of Orton's campaign. Finally, de Gaston has alleged that UEG and RFO, which appeared at the time of the reason to believe findings to have been separate organizations, were in fact founded at the same meeting by the same people.

In addition to the coordination issues, this matter also concerns the reporting of, and source of funds for, independent

9704383019 9

expenditures in opposition to Orton's opponent made by Peggy Fugal through her corporation, Fugal & Fugal, Inc.

After a more detailed recapitulation of the facts, the Commission's prior action, and the opportunities for coordination, this report recommends that the Commission revote the reason to believe findings in this matter, consistent with its practice following FEC v. NRA Political Victory Fund, 6 F.3d 821 (D.C. Cir. 1993), cert. granted 114 S. Ct. 2703 (1994). It also recommends that various requests for pre-probable cause conciliation or no further action be denied pending further discovery. Finally, it addresses the anticipated course of the further discovery, and recommends approval of deposition subpoenas.[2]

II. DETAILED ANALYSIS

A. Setting the Stage

In the Septemeber 15, 1990 Republican primary election in the Third District of Utah, Karl Snow won the nomination, defeating John L. Harmer. William Orton was unopposed for the Democratic nomination; Orton for Congress ("OFC") was his principal campaign committee.[3]

9704383020

---

2. This matter involves a complex web of political, personal, business and family relationships, and a tangle of conflicting assertions. Attachment 7 to this report is a listing of the "cast of characters" in this matter; the reader may find it helpful to refer to this attachment in the course of reading the following narrative.

3. OFC remained Orton's principal campaign committee in the 1992 and 1994 elections. At the time OFC was notified of the complaint in this matter, Spencer E. Taylor was its treasurer. At the time of the reason to believe findings, Steven R. Schone was the committee's treasurer; Schone was named as a respondent in that capacity in the reason to believe findings. On April 18, 1994, OFC amended its Statement of Organization to name Jennifer

Eric Schulzke was a cousin of John Harmer, and apparently worked on Harmer's campaign. MUR 3192, First General Counsel's Report, October 6, 1992 (hereinafter, "FGCR"), Attachment A, at 1. He was also apparently the publisher of the Student Review, a publication that was distributed on and around the campus of Brigham Young University ("BYU") in Provo, Utah. FGCR at 17 n. 5 and at Attachment B, page 9. On October 3 and 10, 1990, after Snow won the Republican nomination, the Student Review published the first two of a series of articles by Schulzke concerning Snow's business associations. The articles alleged that Snow played some role in a stock fraud scheme orchestrated by Michael Strand. Strand had reportedly received felony convictions for his actions in the matter. FGCR, Attachment B, at 10-11.

B. Utahns for Ethical Government

1. Facts and Assertions

Scott Norton is identified in disclosure reports as a manager of Norton Foodcenter in Provo. Norton and Orton, the Democratic nominee, were personally acquainted; both apparently attended the same church between 1982 and 1985. FGCR at 5. However, according to Orton, the two spoke "only once or twice" between 1985 and 1990. Attachment 2 at 3.[4] Norton asserts that

---

(Footnote 3 continued from previous page)
Wilson its new treasurer.

4. Norton is self-identified as a Republican. Although he makes no statement as to whether he had any connection to Harmer's campaign, he explains in his response to the reason to believe finding that he was upset about allegations of financial impropriety on Harmer's part by persons Norton believed were associated with Snow's campaign. Attachment 3 at 1.

9704383021

after reading the articles in the Student Review, he called Orton and urged that Orton publicize the allegations against Snow. Id. at 2. By Norton's account, Orton refused to become involved in such activity, and indicated that if any of his campaign staff did so they would be fired. FGCR at 11.

Norton asserts that he then contacted Schulzke. According to Norton, he and Schulzke met and discussed ideas for publicizing the allegations in Schulzke's articles. Norton further asserts that at this meeting, he and Schulzke devised the idea for, and the name of, Utahns for Ethical Government.[5] Attachment 3 at 2.

It appears from news accounts that Sheldon Kinsel was also involved with UEG's activities.[6] Disclosure reports indicate that, at least briefly, Kinsel was a paid consultant to Orton's campaign committee in 1990; he received a $350 "consulting fee" from OFC on October 8, 1990. However, according to a news account in the Provo Daily Herald, Kinsel left Orton's campaign shortly thereafter. The article quoted both Orton and Kinsel as saying that Kinsel left Orton's campaign after he and Orton had a disagreement about whether Orton should make an issue of Snow's alleged connection to the stock fraud scheme. Attachment 1 at 1. According to the article, "Kinsel said he knew nothing of the formation of [UEG], but attended some meetings after learning of

9704383502

---

5. This would appear to be consistent with Norton's statement on November 8, 1990, in a cover letter accompanying UEG's untimely filed Statement of Organization, that the organization began "on October 15, with a meeting of two people."

6. Sheldon Kinsel is not to be confused with the complainant, Sheldon Bradshaw. Kinsel was not mentioned in the complaint or any of the responses to it.

it, and [of] how the group planned to use information about Snow to further Orton's campaign." Id. Kinsel has apparently been employed on Orton's congressional staff from the day Orton took office to the present.[7] He also appears to have served as OFC's treasurer during part of 1993 and the first quarter of 1994.

According to Norton, Ken Murdock was another person involved in UEG's activities. FGCR, Attachment B, at 3. The extent of Ken Murdock's participation in UEG is unknown. UEG's sole disclosure report lists a Kristin Murdock as making in-kind contributions to the committee.

By the latter part of October, 1990, UEG had commenced activities in opposition to Snow's candidacy. It had apparently retained Peggy Fugal Advertising, a division of Fugal & Fugal, Inc., for public relations services. Attachment 4 at 2 (corporate status of Fugal & Fugal, Inc.); FGCR, Attachment B, at 3 (detailing relationship between UEG and Peggy Fugal Advertising). The first activity UEG conducted with Fugal's assistance was apparently an October 24 press conference involving persons who lost money in the stock fraud to which Snow was allegedly

9704383023

---

7. The Report of the Clerk of the House for the first quarter of 1991 lists a "Kit S. Kinsel" as Orton's district director dating from January 3, 1991, the date Orton took office. Report of the Clerk of the House, January 1, 1991 to March 31, 1991, H. R. Doc. No. 87, 102d Cong., 1st Sess., at 957. Kinsel apparently still holds a similar position; the 1994 Congressional Staff Directory lists him, under the name Sheldon Kinsel, as Administrative Assistant to Representative Orton, working out of Orton's district office in Provo. 2 1994 Congressional Staff Directory 622.

connected. See FGCR, Attachment E, at 1.[8] Secondly, UEG's disclosure report indicates that between October 30 and November 2 it made expenditures for advertising inserts in several weekly newspapers in the Third District. The inserts were apparently reproductions of Schulzke's Student Review articles. FGCR, Attachment B at 16-19. Finally, it appears from the report that on November 5, the day before the election, UEG ran radio advertisements opposing Snow's candidacy on station KSL in Salt Lake City.

On November 8, 1990, two days after the election, UEG registered with the Commission as a political committee. The organization filed its sole disclosure report on November 19, 1990. The report showed receipts of $11,452.68, and disbursements of the same amount.

2. The Reason to Believe Findings

The Commission concluded that the conversation between Orton and Norton may have tainted the independence of UEG's expenditures. Accordingly, the Commission found reason to believe that UEG's expenditures were in fact in-kind contributions to OFC, and that all but $1,000 of this amount exceeded the limitation of 2 U.S.C. § 441a(a)(1)(A). Moreover, because these apparent in-kind contributions were reported by UEG as independent

9704383024

8. The October 24 date is derived from UEG's disclosure report, which shows a disbursement of $284.83 on this date to Herb Gleason for "hotel room while testifying." Gleason was identified in the Student Review articles as one of the persons who lost money in the stock fraud matter. FGCR, Attachment B, at 11. He had apparently since moved to Florida, and UEG appears to have paid his travel expenses to return to Utah for the press conference.

expenditures, the Commission found reason to believe they had been misreported in violation of 2 U.S.C. § 434(b). Additionally, because the disclaimers on UEG's newspaper inserts did not clearly state that the advertisements were paid for by UEG or whether they were authorized by any candidate or committee, the Commission found reason to believe that UEG and Norton, as treasurer, violated 2 U.S.C. § 441d(a).

The Commission also made corresponding findings against Orton and OFC. Specifically, the Commission found reason to believe that the Orton campaign and its treasurer accepted excessive contributions from UEG in violation of 2 U.S.C. § 441a(f), and that it had failed to report these contributions in violation of 2 U.S.C. § 434(b). Because of Orton's personal involvement, the Commission made the Section 441a(f) finding against Orton personally, as well as against his committee and its treasurer.

In addition to the findings regarding possible coordination, the Commission found reason to believe that UEG and Norton, as treasurer, violated 2 U.S.C. § 433(a) by failing to register in a timely fashion. It also found that, in the event discovery revealed UEG's expenditures to have been, in fact, independent, UEG and Norton, as treasurer, violated 2 U.S.C. § 434(c) by failing to timely report those expenditures.

Responses to the reason to believe findings were received from Norton, on behalf of himself and UEG, and Orton, on behalf of himself, OFC, and OFC's treasurer. Attachments 2 and 3.

9704383025

3. Analysis of Possible Cooordination

Sheldon Kinsel appears to have been the most likely point of potential coordination between UEG and OFC. OFC's disclosure reports show that Kinsel was a "person who . . . ha[d] been receiving . . . compensation or reimbursement . . . from the candidate's committee." 11 C.F.R. § 109.1(b)(4)(i)(B). Moreover, Kinsel's reemployment by Orton shortly after the election casts doubt on the independence of Kinsel's participation in UEG's activities. On the other hand, Kinsel's precise role with UEG is not yet known. Therefore, while it is possible that some of UEG's expenditures were made "by or through" Kinsel, thus raising a presumption of coordination, see 11 C.F.R. § 109.1(b)(4)(i)(B), it is not yet possible to say for sure.

Alternatively, Kinsel may have brought to UEG his particular knowledge of the Orton campaign's "plans, projects or needs," see 11 C.F.R. § 109.1(b)(4)(i)(A), gained through his work for OFC. If UEG made any expenditures "based on" such knowledge, there would again be a regulatory presumption of coordination. Id. See also MUR 812, General Counsel's Brief, April 21, 1980, at 5-7 and MUR 1272, General Counsel's Report, May 28, 1982, at 5 (campaign staff member or supporter's unauthorized activity based on knowledge of, and disagreement with, campaign committee's strategy was among factors relied on to support finding of coordination). However, and as noted, more information is required in order to determine precisely what Kinsel did.

As noted in the First General Counsel's report, the initial conversation between Norton and Orton appears to be another

9704383026

possible point of coordination between UEG and OFC. By the account of both men, Orton told Norton he did not want to make an issue of Snow's alleged involvement in the stock fraud matter. The issue is, as Norton puts it, "[b]y turning away my suggestion did he somehow plant his own?" Attachment 3 at 2. Norton replies to his own question by stating "it was my idea that something should be done, before I talked to Bill Orton." Id. Orton calls the conclusion in the Factual and Legal Analysis that the conversation may have tainted UEG's expenditures "so patently absurd and ludicrous that it hardly requires a response." Attachment 2 at 3. Both statements imply that there was no coordination or intent to coordinate. On the other hand, neither is a direct denial. Moreover, and as noted, expenditures made based on inside knowledge of, and disagreement with, official campaign strategy are legally as coordinated as those made with the express authorization of the committee. MURs 812 and 1272 (cited above).

C. Republicans for Orton

1. Facts and Assertions

a. Jacqueline de Gaston

i. Contacts with Orton

By her own account, Jacqueline de Gaston, like Norton, contacted Orton after reading Schulzke's articles in the Student

9704383027

Review.[9] Attachment 1 at 2. De Gaston said she called Orton at his office and told him she was "angry and wanted to help him expose Karl Snow," and asked if he knew of any other people who might want to engage in such an effort. She asserts that Orton gave her the telephone numbers of "various people," including

---

9. Disclosure reports indicate that, like Schulzke, de Gaston had been connected in some way with Harmer's unsuccesful campaign for the Republican nomination. Most of her account is provided in a supplemental response to the complaint. The circumstances surrounding the supplemental response are sufficiently unusual that they warrant exposition here.

In her original response to the complaint, de Gaston identified herself as treasurer of RFO and asserted that the organization made only $826.39 in expenditures, which she itemized. While the amount of the expenditures was small, some of RFO's materials may have been widely seen or disseminated; for instance, de Gaston asserted that RFO spent "$217.81 for a 'Republicans for Orton' banner which flew over the BYU football game." FGCR, Attachment C, at 1.

De Gaston's original response did not address the complaint's allegations of coordination between RFO and OFC. However, on October 29, 1992, after the Commission had made reason to believe findings in this matter but before respondents had been notified of those findings, de Gaston apparently held a press conference in Salt Lake City. At this event, held five days before the 1992 general election, de Gaston alleged that there had been substantial coordination in the 1990 campaign between Orton, RFO, and UEG. Attachment 1 at 1. At about the same time, an advertisement appeared in Utah newspapers containing, under the headline "A Message from Republicans Formerly For Orton," an open letter co-signed by de Gaston. Attachment 2 at 7. The open letter endorsed Orton's 1992 opponent, whose committee, according to the disclaimer, paid for the advertisement. Id. On November 5, 1992, two days after Orton won re-election, de Gaston contacted staff of this Office and repeated the allegations she apparently made at the Salt Lake City press conference. After that conversation, de Gaston filed a supplemental response to the complaint; the supplemental response consists of a Provo Daily Herald news account of the press conference and a document that appears to be the handout distributed at the press conference. See generally Attachment 1. While the supplemental response contains numerous allegations of coordination between RFO, Orton, and UEG, it does not contradict de Gaston's original statement that RFO's expenditures were less than $1,000.

9704383208

Sheldon Kinsel. Id. After RFO and UEG were formed, she asserts, she "spoke on the telephone on a somewhat daily basis for awhile [sic] with Bill Orton about the various aspects of our 'unconnected efforts' . . . " Id. at 4. According to de Gaston, these subsequent conversations were "early in the morning when we were both at home" because Orton and the Orton campaign were "very careful to cover up [Orton's] involvement." Id. at 7 (emphasis in original).

Orton disputes de Gaston's account. In his response to the reason to believe finding, Orton admitted that de Gaston called him at home on several occasions. Nevertheless, he asserts that he "did not trust" de Gaston, and "did not direct, request, suggest, coordinate, or even discuss information about my campaign needs" in the course of the conversations. Attachment 2 at 4. He characterized the conversations as attempts by de Gaston "to obtain information from me concerning my campaign strategy." Id. However, Orton does not refer to any conversations with de Gaston that took place while he was at his office, nor does he either admit or deny giving de Gaston the names of any like-minded individuals.

ii. Meetings at de Gaston's house

(A). October 16, 1990

Contrary to Norton's account of the creation of UEG, see supra at 3-4, de Gaston asserts that RFO and UEG were created at the same meeting, by the same people. The meeting assertedly took place at de Gaston's house on October 16, 1990. According to de Gaston, seven people were present at the meeting: herself;

9704383029

Norton; Schulzke; Kinsel; Ken Murdock; Percy Kalt, a music professor at BYU who had assertedly lost money in the stock fraud matter in which Snow was allegedly involved; and Kalt's wife, Gudrun. Attachment 1 at 2-3.

By de Gaston's account, the group decided to hold a press conference in which three persons who had lost money in the stock fraud matter would speak about their losses and Snow's role in them. Then:

> As we split up that evening, we spontaneously decided to split the group into two parts -- Utahns for Ethical Government to expose Karl Snow and Republicans for Orton to mount a positive campaign for Bill Orton. Sheldon Kinzel [sic], Ken Murdock, Scott Norton and Eric Schultzke [sic] stayed with Utahns for Ethical Government and I was assigned to Republicans for Orton. Percy and Gudrun Kalt were involved only in the press conference.

Id.

Norton admits that he attended the meeting. Attachment 3 at 2. However, his account of the meeting is almost entirely different. As noted, by his account UEG was formed not at the meeting at de Gaston's house, but the previous day when he met with Schulzke. At the conclusion of that conversation, Norton asserted, Schulzke invited Norton to a meeting to be held at de Gaston's house of several persons who had been harmed in the stock fraud matter "and their friends." Norton agreed to go to the meeting, which was held the next day. Id. But, he asserts, he and Schulzke left de Gaston's house "early because some of the people in the meeting were really flaky. The kind that chain themselves to bulldozers [sic]." Id. According to Norton, he and Schulzke then sat in Norton's car and, on their own, developed the

9704383021 0

ideas for the press conference and UEG's future activities. Id. Norton does not address whether Sheldon Kinsel attended the meeting, as de Gaston claims.

(B). October 19, 1990

De Gaston asserts that she had

> already scheduled a second meeting for Republicans for Orton (the first was billed by me as a planning meeting for the second) in my home that Friday night, October 19, which was my birthday, with Bill Orton speaking, and we decided it would be best to keep the two groups separate in the future to avoid linking Bill Orton to the smear job.

Attachment 1 at 3. It is unclear whether this statement is intended to mean that Orton appeared at de Gaston's house on October 19 to discuss an independent expenditure campaign, or whether it is intended to mean that those at the October 16 meeting prevailed upon de Gaston to cancel the October 19 meeting, so as to avoid coordination with Orton personally. However, Peggy Burdett, a witness identified by de Gaston as involved with RFO, told staff of this Office in an unsworn telephone conversation that she heard Orton speak on various issues at de Gaston's house.[10] Burdett indicated that on this occasion, Orton mentioned Snow's alleged involvement in the stock fraud matter but said that he did not want to discuss it. Burdett is the only witness who

9704383021

---

10. Burdett was not mentioned in the complaint or any of the responses to it. However, de Gaston, in her conversation with staff of this Office, identified Burdett as a "free-lance journalist" who had been active in RFO and could provide more information about its alleged coordination with Orton. De Gaston also provided this Office with Burdett's telephone number. Like de Gaston, Burdett apparently supported Harmer in the Republican primary election. Nothing more is known about Burdett's personal or professional background.

clearly places Orton at de Gaston's house at any time, and even she did not confirm that he was there on October 19. In his response to the reason to believe finding, Orton does not address whether he ever appeared at de Gaston's house.

b. George Murdock and Peggy Burdett

George Murdock of Orem, Utah, was named in the complaint as a member of RFO, and was thus notified of the complaint.[11] In his response to the complaint, George Murdock asserted that "about ten days before the election," he decided "to vote for Orton (though I have been a life-long Republican."[12] FGCR, Attachment D, at 1. George Murdock asserted that he then called the Orton campaign office and asked for a yard sign, which he displayed. Id. He continued:

> Since I knew Bill Orton on a personal basis, I felt it would help his "come from behind" effort if I held a "meet the candidate" meeting in my home. I invited about 50 close personal friends and associates, nearly all of whom were Republicans . . . a few Orton posters were made available.

FGCR, Attachment D, at 1.

9704383021 2

---

11. Because RFO was not registered with the Commission, this Office mailed a copy of the complaint to each individual identified therein as connected with RFO. FGCR at 2 n.3.

12. Ten days before the election would have been October 27, 1990. If this date is correct, it throws into question one of two other accounts. Orton asserts that he did not know de Gaston until after the meeting at George Murdock's home discussed immediately infra, which, by George Murdock's account, could not have taken place until after October 27. Attachment 2 at 4. On the other hand, de Gaston indicates that she first contacted Orton prior to the October 16 meeting at her house at which, she asserts, RFO and UEG were formed. See Attachment 1 at 2. These two accounts cannot be reconciled unless George Murdock began his activities on Orton's behalf considerably prior to "ten days before the election."

Orton generally confirms this account, except he makes no reference to the date. He does assert that he "did not discuss campaign plans, strategies, projects, needs or any other topics other than positions on issues" at this meeting. Attachment 2 at 4.

According to George Murdock, de Gaston was present at this meeting. After becoming acquainted with de Gaston, George Murdock apparently decided to join RFO, and he admits contributing money to the organization. FGCR, Attachment D, at 2. However, he said, "no meetings were held by [RFO] that I was aware of. I was invited to nothing by them. Our involvement consisted only of a few phone calls to each other and primarily was individual efforts, personal contacts and letters to friends." Id. at 1.

However, both Burdett and de Gaston provided substantially different accounts of the roles played by Orton and George Murdock in RFO. In her unsworn telephone conversation with staff of this Office, Peggy Burdett asserted that she and George Murdock worked closely on RFO's activities; by her account, George Murdock "was the money and I was the ideas." Additionally, de Gaston asserts that George Murdock was "brought into" RFO by his brother, Ken Murdock, whom Norton acknowledges was involved in UEG's activities and whom de Gaston places at the October 16, 1990 meeting at her house. See supra at 5, 10-11. De Gaston said that "Ken and George pretended not to be brothers at first." Attachment 1 at

9104383021 3

9.[13]

More significantly, Burdett alleged that she and George Murdock coordinated their activities with Orton. According to Burdett, Orton asked Murdock and her if they would "get the ball rolling on this thing," presumably meaning RFO. Further, Burdett asserted, "we would call [Orton] regularly and tell him what we had done and what we were going to do."[14] Orton's response to the reason to believe findings does not mention Burdett. However, he does assert that he "never discussed the organization or activities of [RFO] with de Gaston or any other person." Attachment 2 at 4.

2. The Reason to Believe Findings

Based on the event at George Murdock's house, the Commission made various findings regarding RFO and de Gaston, as treasurer, and OFC and its treasurer. The Commission regarded Orton's appearance at George Murdock's house as a potential catalyst for

---

13. The complaint also noted that Ken Murdock and George Murdock were brothers. In his response to the complaint, George Murdock asserted that this fact "meant nothing":

> [Ken Murdock and I] were in business together for nearly 20 years after which there was a somewhat hostile takeover, by him, of my share of the business in 1983. Our contact since has been very limited and somewhat strained. We did not work in concert and I only heard about his activities [with UEG] shortly before the election.

FGCR, Attachment D at 1-2.

14. Burdett also asserted that Orton first approached her about starting a group called Republicans for Orton at a gathering at Harmer's house on the night of the primary election; however, it appears that this contact, if it occurred at all, did not lead to any campaign activity.

4702002214

RFO's activities; consequently, it concluded, the independence of RFO's expenditures may have been compromised. See FGCR at 10. Nevertheless, the resulting in-kind contributions from RFO to OFC appeared to total less than the $1,000 limitation of 2 U.S.C. § 441a(a)(1)(A). Moreover, RFO did not appear to be a political committee within the meaning of 2 U.S.C. § 431(4), and thus did not appear to be required to register and report. Based on this analysis, the Commission found no reason to believe that RFO or de Gaston, as treasurer, violated 2 U.S.C. §§ 433, 434, or 441a(a)(1)(A). However, the Commission found reason to believe that OFC and its treasurer violated 2 U.S.C. § 434(b) by failing to report receipt of the in-kind contributions from RFO. Finally, on the possibility that discovery would reveal RFO's expenditures to have been, in fact, independent, the Commission also found reason to believe that RFO and de Gaston, as treasurer, violated 2 U.S.C. § 434(c) by failing to report independent expenditures in excess of $250.

As noted, the Commission did not receive de Gaston's supplemental response to the complaint until after it had made the reason to believe findings. Consequently, the analysis underlying the reason to believe findings did not incorporate any of de Gaston's or Burdett's allegations.

3. Analysis of Possible Coordination

As detailed in the First General Counsel's Report, Orton's appearance at George Murdock's house may have been a point of coordination between RFO and Orton. George Murdock was personally acquainted with Orton. Not only did George Murdock host the

9704783021 5

"cottage meeting" at which Orton appeared, but George Murdock also apparently put Orton in contact with at least one other Republican businessperson who held a similar meeting. Attachment 2 at 4. George Murdock said that he met de Gaston at the meeting at his house, and that he joined RFO shortly thereafter. Orton campaign materials were apparently available at the meeting. Thus, the meeting could have acted as a catalyst for at least some of RFO's activities. On the other hand, Orton insists that he "did not discuss campaign plans, strategies, projects, needs or any other topics other than my positions on issues" at this meeting. Attachment 2 at 4.

More serious, but perhaps less verifiable, are the allegations by de Gaston and Burdett that Orton personally kept abreast of, and in some instances assisted, RFO's activities. De Gaston asserts that Orton gave her the names of individuals, including Sheldon Kinsel, whom Orton allegedly believed might have been interested in conducting ostensibly independent campaign activity. She also asserts that she was in regular contact with Orton about such activity. Burdett asserts that Orton both instigated and kept apprised of RFO activities through her and through George Murdock. Burdett also asserts that Orton appeared at de Gaston's house, and de Gaston's supplemental response may indicate the same. On the other hand, Orton denies discussing the activities or organization of RFO with anyone. More information about these circumstances is required in order to sort out the truth.

Finally, more information would also be needed to determine

9704383021 6

the extent of the alleged contacts between UEG and RFO (particularly at the October 16 meeting at de Gaston's house and through any contacts between the Murdock brothers) and whether any coordination with Orton or OFC on the part of one group resulted in a derivative taint on the independence of the other's expenditures.

C. **Peggy Fugal and Fugal & Fugal, Inc.**

1. **Facts**

Peggy Fugal apparently caused her corporation to make its own expenditures in opposition to Snow's candidacy, in addition to the work it did as a vendor to UEG. See supra at 5. In her response to the complaint, Fugal admitted placing a full-page newspaper advertisement opposing Snow's candidacy. FGCR, Attachment E at 1. Fugal's Section 434(c) filing indicated that the expenditure for the advertisement totaled $1,203.57 and was made October 29, 1990, or eight days before the election. However, Fugal did not file this statement until November 19, 1990. In her response to informal interrogatories, Fugal indicated that she was "certain the billing for the ad went through the normal billing channels of Peggy Fugal Advertising, a division of Fugal and Fugal, Inc.," and that she had "personally repaid the business for the cost of the advertisement." Attachment 4 at 2.

2. **The Reason to Believe Findings**

Because the expenditure for the advertisement totaled more than $1,000 and was made after the twentieth day before the election but was not reported within 24 hours, the Commission

9704383021 7

found reason to believe that Fugal violated 2 U.S.C. § 434(c). Additionally, because the advertisement did not state whether the communication was authorized by a candidate, the Commission found reason to believe that Fugal violated 2 U.S.C. § 441d(a). Finally, because the disclaimer indicated that the advertisement was paid for by Fugal & Fugal, Inc., the Commission, in the alternative, found reason to believe that Fugal and Fugal, Inc., and Peggy Fugal, as an officer, violated 2 U.S.C. § 441b(a).

3. **Analysis**

Information developed since the reason to believe findings does not contradict the conclusions that Fugal's Section 434(c) filing was untimely and that the advertisement carried an indadequate disclaimer. Fugal's response confirms that the advertisement was in fact paid for by her corporation, with an asserted subsequent reimbursement by Fugal. Thus, what was originally the finding in the alternative -- that Fugal & Fugal, Inc., and Peggy Fugal, as an officer, violated 2 U.S.C. § 441b(a) -- describes what actually happened.

9704383021 8

III. FURTHER ACTION

A. Recommendations in Light of FEC v. NRA

Consistent with the Commission's November 9, 1993 decisions concerning compliance with FEC v. NRA, this Office recommends that the Commission revote its determinations to: 1) find reason to believe that Utahns for Ethical Government and Scott Lee Norton, as treasurer, violated 2 U.S.C. §§ 433(a), 434(b), 441a(a), or alternatively 434(c), and 2 U.S.C. § 441d(a); 2) find reason to believe that William Orton and Orton for Congress and Jennifer

Wilson, as treasurer, violated 2 U.S.C. § 441a(f), and that Orton for Congress and Jennifer Wilson, as treasurer, violated 2 U.S.C. § 434(b); 3) find reason to believe that Fugal & Fugal, Inc., and Peggy Fugal, as an officer, violated 2 U.S.C. §§ 434(c), 441b(a), and 441d(a); 4) find no reason to believe that Republicans for Orton and Jacqueline de Gaston, as treasurer, violated 2 U.S.C. §§ 441a(a), 433, or 434; 5) find reason to believe that Republicans for Orton and Jacqueline de Gaston, as treasurer, violated 2 U.S.C. § 434(c); and 6) approve the appropriate factual and legal analyses, as originally approved October 21, 1992.

These recommendations are identical to the original actions taken by the Commission, with two exceptions. First, the name of OFC's current treasurer is substituted for that of the treasurer at the time of the original reason to believe findings. Second, the recommendations pertaining to Peggy Fugal and Fugal & Fugal, Inc., are slightly different. Because it now appears that Peggy Fugal placed her newspaper advertisement through her corporation, this Office does not recommend that the Commission revote its finding of reason to believe that Peggy Fugal violated 2 U.S.C. §§ 434(c) and 441d. Instead, as noted, this Office recommends that the Commission make the appropriate findings with respect to Fugal & Fugal, Inc., and Peggy Fugal, as an officer.

B. Further Discovery

As discussed above, more information is required in order to ascertain the precise nature of Kinsel's role with UEG; of Norton's conversation with Orton; of the meeting at George Murdock's house; of both meetings at de Gaston's house; and of the

9704383021 9

contacts between de Gaston and Orton and between Burdett, George Murdock and Orton.

Most of the individuals who should be able to provide this additional information have previously provided the Commission with their versions of what happened. However, these accounts are, for the most part, not under oath. They are also often confusing, incomplete, or contradictory. Despite the age of the activity in question and the relatively small amount of money involved, this Office believes it is important to at least try to resolve the contradictions currently in the record of this matter before the file is closed and made public.

Because so many of the accounts are contradictory, determinations about the credibility of witnesses will be critical to this endeavor. At this point, it is impossible to fully assess the credibility of the various actors without face-to-face examination. Accordingly, this Office recommends that the Commission now approve subpoenas for the depositions of all of the persons with whom this Office anticipates it may need to speak in order to resolve this matter.[15] These persons would include all of the actors in this case, plus other persons who apparently had little or no role in the activities at issue here but who may have been eyewitnesses to one or more of the meetings or conversations described above. Where possible, this Office intends to obtain

9704383020

---

15. The persons with respect to whom this Office requests deposition subpoenas are: Percy Kalt; Gudrun Kalt; Eric Schultzke; Peggy Fugal; Mike Schnabel; John L. Harmer; Mickey Cochrane; Joelyn Stott; Ken Murdock; George Murdock; Jacqueline de Gaston; Peggy Burdett; Scott Lee Norton; Sheldon Kinsel; and William Orton.

affidavits based on informal personal interviews; as a result, it should not be necessary for this Office to actually make use of all of the subpoenas for which approval is requested. However, approval of subpoenas at this stage will eliminate the need for this Office to report to the Commission if any of the witnesses we hope to informally contact prove uncooperative. It will also allow the investigation to proceed immediately to formal depositions of the most important actors if the informal interviews so warrant.

C. Requests for Pre-Probable Cause Conciliation and No Further Action

Through Norton, UEG admits that it violated 2 U.S.C. §§ 433(a) and 434(b) by failing to register with the Commission and report its expenditures in a timely manner, and requests pre-probable cause conciliation. Attachment 3 at 3-4. Fugal's response to the Commmission's reason to believe finding admits no specific violations but requests pre-probable cause conciliation. Attachment 4 at 1. Finally, Orton's response includes a request that the investigation be concluded. Attachment 2 at 6.

This Office recommends that the Commission deny all of these requests at this time. Until further discovery is conducted, this Office can recommend neither that the investigation be concluded nor that the Commission enter into conciliation with UEG and Norton. Supra at 22-24. Moreover, because further discovery with respect to Fugal may shed light on the relationships between Orton, OFC, UEG and RFO, this Office recommends that Fugal's request for pre-probable cause conciliation be denied at this time

9704383022 1

as well.

IV. RECOMMENDATIONS

1. Find reason to believe that Utahns for Ethical Government and Scott Lee Norton, as treasurer, violated 2 U.S.C. §§ 433(a), 434(b), 441a(a), or alternatively 434(c), and 2 U.S.C. § 441d(a).

2. Find reason to believe that William Orton and Orton for Congress and Jennifer Wilson, as treasurer, violated 2 U.S.C. § 441a(f) and that Orton for Congress and Jennifer Wilson, as treasurer, violated 2 U.S.C. § 434(b).

3. Find reason to believe that Fugal & Fugal, Inc., and Peggy Fugal, as an officer, violated 2 U.S.C. §§ 434(c), 441b(a) and 441d(a).

4. Find no reason to believe that Republicans for Orton and Jacqueline F. de Gaston, as treasurer, violated 2 U.S.C. §§ 441a(a), 433 and 434; but find reason to believe that Republicans for Orton and Jacqueline F. de Gaston, as treasurer, violated 2 U.S.C. § 434(c).

5. Approve the Factual and Legal Analyses, as originally approved October 21, 1992.

6. Approve subpoenas to Percy Kalt, Gudrun Kalt, Eric Schultzke, Peggy Fugal, Mike Schnabel, John L. Harmer, Mickey Cochrane, Joelyn Stott, Ken Murdock, George Murdock, Jacqueline de Gaston, Peggy Burdett, Scott Lee Norton, Sheldon Kinsel, and William Orton.

7. Deny at this time the request of William Orton, Orton for Congress, and Jennifer Wilson, as treasurer, that the Commission take no further action in this matter.

8. Deny at this time the request of Utahns for Ethical Government and Scott Lee Norton, as treasurer, to enter into pre-probable cause conciliation.

9. Deny at this time the request of Peggy Fugal and Fugal & Fugal, Inc., to enter into pre-probable cause conciliation.

10. Approve the appropriate letters.

12/1/94
Date

Lawrence M. Noble
General Counsel

9704380222

Attachments:

1. Supplemental Response of Republicans for Orton and Jacqueline F. de Gaston, as treasurer
2. Response of William Orton and Orton for Congress to the finding of reason to believe
3. Response of Utahns for Ethical Government and Scott Lee Norton, as treasurer, to the finding of reason to believe
4. Response of Peggy Fugal and Fugal & Fugal, Inc., to the finding of reason to believe
5. Commission certification dated October 21, 1992
6. Commission certification dated November 12, 1992
7. Cast of Characters
8. Sample subpoena

Staff Assigned: Lawrence L. Calvert Jr.

9704383022 3

MUR 3192

CAST OF CHARACTERS
(in order of appearance)
(Principal players in bold)

SHELDON BRADSHAW	Complainant
WILLIAM ORTON	**Democratic candidate in 1990 general election, 3rd District, Utah. Was elected to U.S. House of Representatives; re-elected 1992 and 1994.**
KARL SNOW	Republican nominee for U.S. House of Representatives from 3rd District of Utah, 1990. Lost general election to Orton.
SHELDON KINSEL	**Orton committee consultant who left 1990 campaign, assertedly after disagreement with Orton about whether to raise alleged Snow involvement in stock fraud as campaign issue. After leaving campaign, apparently participated in activities of Utahns for Ethical Government. Has been on Orton congressional payroll since 1/3/91. Treasurer of Orton committee, 1993-94.**
SCOTT NORTON	**Treasurer and founder, Utahns for Ethical Government. Was present at October 16 meeting at home of Jacqueline de Gaston (see below) but denies coordination with de Gaston or Orton.**

9704383024

JACQUELINE de GASTON	Treasurer, Republicans for Orton. Worked on campaign of John L. Harmer (see below) in GOP primary. Hosted meeting on October 16, 1990; may have hosted Orton appearance on October 19. Filed supplemental response in 1992 alleging substantial coordination. Made allegations public, endorsed Orton's 1992 opponent.
PEGGY BURDETT	Identified by de Gaston as "free-lance journalist" active in RFO. Asserted to this Office that she personally coordinated RFO activities with Orton. Apparently supported Harmer in 1990 Republican primary.
GEORGE MURDOCK	Hosted meet-the-candidate meeting for Orton. Involved with RFO. Peggy Burdett alleges he was a coordination point between Orton and RFO. Brother of Ken Murdock (see below), but asserts he had little contact with Ken after acrimonious family business dispute in 1983.
PEGGY FUGAL	Officer of Peggy Fugal Advertising and Fugal & Fugal, Inc. Her ad agency did contract work for UEG. Caused her ad agency to make independent expenditures in opposition to Karl Snow.
JOHN L. HARMER	Unsuccesful candidate for Republican nomination for U.S. House of Representatives from 3rd District of Utah, 1990.

9704383022 5

ERIC SCHULZKE	Cousin of Harmer, worked on Harmer's campaign. May have been BYU student in 1990. Publisher, Student Review; author of articles concerning Snow's role in stock fraud matter. May have participated in founding of Utahns for Ethical Government. Reportedly attended October 16, 1990 meeting at home of Jacqueline de Gaston.
MICHAEL STRAND	Reportedly convicted of felony stock fraud. Snow allegedly had ties to Strand and the businesses involved in Strand's conviction.
KEN MURDOCK	Brother of George. Allegedly present at October 16 meeting at de Gaston's house. Particpated in UEG's activities.
HERB GLEASON	Allegedly lost money in stock fraud. Apparently participated in UEG press conference.
PERCY KALT	Professor of music at BYU. Allegedly lost money in stock f aud. Allegedly attended October 16 meeting at de Gaston's house.
GUDRUN KALT	Wife of Percy. Allegedly attended October 16 meeting at de Gaston's house.

9704383022 6

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/E. SHARON HUGHES ESH
COMMISSION SECRETARY

DATE: DECEMBER 7, 1994

SUBJECT: MUR 3192 - GENERAL COUNSEL's REPORT
DATED DECEMBER 1, 1994.

The above-captioned document was circulated to the Commission on Friday, December 2, 1994 12:00.

Objection(s) have been received from the Commissioner(s) as indicated by the name(s) checked below:

Commissioner Aikens	_____
Commissioner Elliott	_____
Commissioner McDonald	_____
Commissioner McGarry	_____
Commissioner Potter	_____
Commissioner Thomas	xxx

This matter will be placed on the meeting agenda for Tuesday, December 13, 1994.

Please notify us who will represent your Division before the Commission on this matter.

9704383022 7

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 3192
William Orton, et al.)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on December 13, 1994, do hereby certify that the Commission decided by a vote of 5-1 to take the following actions in MUR 3192:

1. Find reason to believe that Utahns for Ethical Government and Scott Lee Norton, as treasurer, violated 2 U.S.C. §§ 433(a), 434(b), 441a(a), or alternatively 434(c), and 2 U.S.C. § 441d(a).

2. Find reason to believe that William Orton and Orton for Congress and Jennifer Wilson, as treasurer, violated 2 U.S.C. § 441a(f) and that Orton for Congress and Jennifer Wilson, as treasurer, violated 2 U.S.C. § 434(b).

3. Find reason to believe tht Fugal & Fugal, Inc., and Peggy Fugal, as an officer, violated 2 U.S.C. §§ 434(c), 441b(a) and 441d(a).

(continued)

9704383022 8

4. Find no reason to believe that Republicans for Orton and Jacqueline F. de Gaston, as treasurer, violated 2 U.S.C. §§ 441a(a), 433 and 434; but find reason to believe that Republicans for Orton and Jacqueline F. de Gaston, as treasurer, violated 2 U.S.C. 434(c).

5. Approve the Factual and Legal Analyses, as originally approved October 21, 1992.

6. Approve subpoenas to Percy Kalt, Gudrun Kalt, Eric Schultzka, Peggy Fugal, Mike Schnabel, John L. Harmer, Mickey Cochrane, Joelyn Stott, Ken Murdock, George Murdock, Jacqueline de Gaston, Peggy Burdett, Scott Lee Norton, Sheldon Kinsel, and William Orton.

7. Deny at this time the request of William Orton, Orton for Congress, and Jennifer Wilson, as treasurer, that the Commission take no further action in this matter.

8. Deny at this time the request of Utahns for Ethical Government and Scott Lee Norton, as treasurer, to enter into pre-probable cause conciliation.

9. Deny at this time the request of Peggy Fugal and Fugal & Fugal, Inc., to enter into pre-probable cause conciliation.

9704383029

10. Approve the appropriate letters as recommended in the General Counsel's report dated December 1, 1994.

Commissioners Aikens, Elliott, McDonald, McGarry, and Potter voted affirmatively for the decision.

Commissioner Thomas dissented.

Attest:

12-14-95
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

2704382020

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 16, 1994

Hon. William Orton
Rural Route 3, Box B-10
Sundance, Utah 84604

RE: MUR 3192
William Orton
Orton for Congress and
Jennifer Wilson, as treasurer

Dear Representative Orton:

On October 20, 1992, the Federal Election Commission found that there is reason to believe that you violated 2 U.S.C. § 441a(f) and that Orton for Congress and its treasurer violated 2 U.S.C. §§ 434(b) and 441a(f).

As you may be aware, on October 22, 1993, the D.C. Circuit declared the Commission unconstitutional on separation of powers grounds due to the presence of the Clerk of the House of Representatives and the Secretary of the Senate or their designees as members of the Commission. FEC v. NRA Political Victory Fund, 6 F. 3d 821 (D.C. Cir. 1993), petition for cert. dismissed for want of jurisdiction, U.S. No. 93-1151 (December 6, 1994). Since the Court of Appeals's decision was handed down, the Commission has taken several actions to comply with it. Specifically, the Commission, consistent with the opinion, has remedied any possible constitutional defect identified by the Court of Appeals by reconstituting itself as a six-member body without the Clerk of the House and the Secretary of the Senate or their designees. In addition, the Commission has adopted specific procedures for revoting or ratifying decisions pertaining to open enforcement matters.

In this matter, on December 13, 1994, the Commission revoted to find reason to believe that you violated 2 U.S.C. § 441a(f), and it revoted to find reason to believe that Orton for Congress and Jennifer Wilson, as treasurer, violated 2 U.S.C. §§ 434(b) and 441a(f). The Commission also voted to approve the Factual and Legal Analysis previously mailed to you. Please refer to that document for the basis of the Commission's decision. If you need an additional copy, one will be provided upon request. Finally, the Commission voted to deny at this time your request that it take no further action in this matter.

97U438302831

If you have any questions, please contact Lawrence L. Calvert Jr., the attorney assigned to this matter, at (202) 219-3690.

For the Commission,

Trevor Potter
Chairman

9104383023 2

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 16, 1994

Jennifer Wilson, Treasurer
Orton for Congress
P. O. Box 1997
Provo, UT 84603

RE: MUR 3192
Orton for Congress and
Jennifer Wilson, as treasurer

Dear Ms. Wilson:

On October 20, 1992, the Federal Election Commission found that there is reason to believe that Orton for Congress ("the Committee") and its treasurer violated 2 U.S.C. §§ 434(b) and 441a(f).

As you may be aware, on October 22, 1993, the D.C. Circuit declared the Commission unconstitutional on separation of powers grounds due to the presence of the Clerk of the House of Representatives and the Secretary of the Senate or their designees as members of the Commission. FEC v. NRA Political Victory Fund, 6 F. 3d 821 (D.C. Cir. 1993), petition for cert. dismissed for want of jurisdiction, U.S. No. 93-1151 (December 6, 1994). Since the Court of Appeals's decision was handed down, the Commission has taken several actions to comply with it. Specifically, the Commission, consistent with the opinion, has remedied any possible constitutional defect identified by the Court of Appeals by reconstituting itself as a six-member body without the Clerk of the House and the Secretary of the Senate or their designees. In addition, the Commission has adopted specific procedures for revoting or ratifying decisions pertaining to open enforcement matters.

In this matter, on December 13, 1994, the Commission revoted to find reason to believe that Orton for Congress and you, as treasurer, violated 2 U.S.C. §§ 434(b) and 441a(f). The Commission also voted to approve the Factual and Legal Analysis previously mailed to the Committee. Please refer to that document for the basis of the Commission's decision. If you need an additional copy, one will be provided upon request. Finally, the Commission voted to deny at this time Representative Orton's request, on behalf of the Committee, that the Commission take no further action in this matter.

9704383023 3

If you have any questions, please contact Lawrence L. Calvert Jr., the attorney assigned to this matter, at (202) 219-3690.

For the Commission,

Trevor Potter
Chairman

9104383023 4

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 16, 1994

Scott Lee Norton, Treasurer
Utahns for Ethical Government
4230 Scenic Drive
Provo, Utah 84604

RE: MUR 3192
Utahns for Ethical Government
and Scott Lee Norton, as treasurer

Dear Mr. Norton:

On October 20, 1992, the Federal Election Commission found that there is reason to believe that Utahns for Ethical Government and you, as treasurer, violated 2 U.S.C. §§ 433(a), 434(b), 441a(a), or alternatively 434(c), and 2 U.S.C. § 441d(a).

As you may be aware, on October 22, 1993, the D.C. Circuit declared the Commission unconstitutional on separation of powers grounds due to the presence of the Clerk of the House of Representatives and the Secretary of the Senate or their designees as members of the Commission. FEC v. NRA Political Victory Fund, 6 F. 3d 821 (D.C. Cir. 1993), petition for cert. dismissed for want of jurisdiction, U.S. No. 93-1151 (December 6, 1994). Since the Court of Appeals's decision was handed down, the Commission has taken several actions to comply with it. Specifically, the Commission, consistent with the opinion, has remedied any possible constitutional defect identified by the Court of Appeals by reconstituting itself as a six-member body without the Clerk of the House and the Secretary of the Senate or their designees. In addition, the Commission has adopted specific procedures for revoting or ratifying decisions pertaining to open enforcement matters.

In this matter, on December 13, 1994, the Commission revoted to find reason to believe that Utahns for Ethical Government and you, as treasurer, violated 2 U.S.C. §§ 433(a), 434(b), 441a(a), or alternatively 434(c), and 2 U.S.C. § 441d(a), and to approve the Factual and Legal Analysis previously mailed to you. Please refer to that document for the basis of the Commission's decision. If you need an additional copy, one will be provided upon request. Finally, the Commission voted to deny at this time your request for pre-probable cause conciliation in this matter.

2704383025

If you have any questions, please contact Lawrence L. Calvert Jr., the attorney assigned to this matter, at (202) 219-3690.

For the Commission,

Trevor Potter
Chairman

9704383026

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 16, 1994

Jacqueline F. de Gaston, Treasurer
Republicans for Orton
505 E. 4750 North
Provo, Utah 84604

RE: MUR 3192
Republicans for Orton
and Jacqueline F. de Gaston,
as treasurer

Dear Ms. de Gaston:

On October 20, 1992, the Federal Election Commission found that there is no reason to believe that Republicans for Orton or you, as treasurer, violated 2 U.S.C. §§ 441a(a), 433, or 434, but that there is reason to believe that Republicans for Orton and you, as treasurer, violated 2 U.S.C. § 434(c).

As you may be aware, on October 22, 1993, the D.C. Circuit declared the Commission unconstitutional on separation of powers grounds due to the presence of the Clerk of the House of Representatives and the Secretary of the Senate or their designees as members of the Commission. FEC v. NRA Political Victory Fund, 6 F. 3d 821 (D.C. Cir. 1993), petition for cert. dismissed for want of jurisdiction, U.S. No. 93-1151 (December 6, 1994). Since the Court of Appeals's decision was handed down, the Commission has taken several actions to comply with it. Specifically, the Commission, consistent with the opinion, has remedied any possible constitutional defect identified by the Court of Appeals by reconstituting itself as a six-member body without the Clerk of the House and the Secretary of the Senate or their designees. In addition, the Commission has adopted specific procedures for revoting or ratifying decisions pertaining to open enforcement matters.

In this matter, on December 13, 1994, the Commission revoted to find no reason to believe that Republicans for Orton or you, as treasurer, violated 2 U.S.C. §§ 441a(a), 433 or 434, and revoted to find reason to believe that Republicans for Orton and you, as treasurer, violated 2 U.S.C. § 434(c). The Commission also voted to approve the Factual and Legal Analysis previously mailed to you. Please refer to that document for the basis of the Commission's decision. If you need an additional copy, one will be provided upon request.

9704383023 7

If you have any questions, please contact Lawrence L. Calvert Jr., the attorney assigned to this matter, at (202) 219-3690.

For the Commission,

Trevor Potter
Chairman

7104383023 8

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 16, 1994

Thomas J. Scribner, Esq.
Watson & Scribner
2696 North University Avenue
Suite 220
Provo, Utah 84604

RE: MUR 3192
Fugal & Fugal, Inc.
and Peggy Fugal, as an officer

Dear Mr. Scribner:

On October 20, 1992, the Federal Election Commission found that there is reason to believe your client Peggy Fugal violated 2 U.S.C. §§ 434(c) and 441d(a), or in the alternative that your clients Fugal & Fugal, Inc. and Peggy Fugal, as an officer, violated 2 U.S.C. §§ 434(c), 441b(a), and 441d(a).

As you may be aware, on October 22, 1993, the D.C. Circuit declared the Commission unconstitutional on separation of powers grounds due to the presence of the Clerk of the House of Representatives and the Secretary of the Senate or their designees as members of the Commission. FEC v. NRA Political Victory Fund, 6 F. 3d 821 (D.C. Cir. 1993), petition for cert. dismissed for want of jurisdiction, U.S. No. 93-1151 (December 6, 1994). Since the Court of Appeals's decision was handed down, the Commission has taken several actions to comply with it. Specifically, the Commission, consistent with the opinion, has remedied any possible constitutional defect identified by the Court of Appeals by reconstituting itself as a six-member body without the Clerk of the House and the Secretary of the Senate or their designees. In addition, the Commission has adopted specific procedures for revoting or ratifying decisions pertaining to open enforcement matters.

In this matter, on December 14, 1994, the Commission revoted to find reason to believe that Fugal & Fugal, Inc. and Peggy Fugal, as an officer, violated 2 U.S.C. §§ 434(c), 441b(a), and 441d(a), and to approve the Factual and Legal Analysis previously mailed to Ms. Fugal. Please refer to that document for the basis of the Commission's decision. If you need an additional copy, one will be provided upon request. Finally, the Commission also voted to deny at this time your request for pre-probable cause conciliation in this matter.

9704383029

If you have any questions, please contact Lawrence L. Calvert Jr., the attorney assigned to this matter, at (202) 219-3690.

For the Commission,

Trevor Potter
Chairman

9104383024 0

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 6, 1995

Jennifer Wilson, Treasurer
Orton for Congress
P. O. Box 1997
Provo, Utah 84603

RE: MUR 3192
Orton for Congress and
Jennifer Wilson, as treasurer

Dear Ms. Wilson:

Pursuant to my telephone coversation with Jennifer Jolley, assistant treasurer, on January 5, 1995, enclosed please find a copy of the materials sent to your predecessor, Steven R. Schone, on November 24, 1992. These include: a cover letter; a copy of the factual and legal analysis, which was originally approved in 1992 and which the Commission re-voted to approve on December 13, 1994; and a designation of counsel form. For your information, I have also enclosed a description of the Commission's enforcement procedures.

Please be advised that Representative Orton's response to the Commission's original reason to believe finding, which he submitted on behalf of Orton for Congress as well as himself and which was dated January 3, 1993, was received and is part of the record in this matter.

If you have any further questions, please call me at (202) 219-3690.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

Enclosures

9704383024 1

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 6, 1995

Jacqueline F. de Gaston, Treasurer
Republicans for Orton
505 E. 4750 North
Provo, Utah 84604

RE: MUR 3192
Republicans for Orton
and Jacqueline F. de Gaston,
as treasurer

Dear Ms. de Gaston:

Pursuant to our telephone coversation of December 21, 1994, enclosed please find a copy of the materials sent to you November 24, 1992. These include: a cover letter; a copy of the factual and legal analysis, which was originally approved in 1992 and which the Commission re-voted to approve on December 13, 1994; and a designation of counsel form. For your information, I have also enclosed a description of the Commission's enforcement procedures.

If you have any further questions, please call me at (202) 219-3690.

Sincerely,

Lawrence E. Calvert Jr.
Attorney

Enclosures

2100302042

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 6, 1995

Scott Lee Norton, Treasurer
Utahns for Ethical Government
4230 Scenic Drive
Provo, Utah 84604

RE: MUR 3192
Utahns for Ethical Government
and Scott Lee Norton, as treasurer

Dear Mr. Norton:

Pursuant to our telephone coversation of January 4, 1995, enclosed please find a copy of the materials sent to you November 24, 1992. These include: a cover letter; a copy of the factual and legal analysis, which was originally approved in 1992 and which the Commission re-voted to approve on December 13, 1994; and a designation of counsel form. For your information, I have also enclosed a description of the Commission's enforcement procedures.

Please be advised that your response, dated January 2, 1993, to the Commission's original reason to believe finding was received and is part of the record in this matter.

If you have any further questions, please call me at (202) 219-3690.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

Enclosures

9704383024 3

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 11, 1995

Thomas J. Scribner, Esq.
2696 North University Drive
Suite 220
Provo, Utah 84604

RE: MUR 3192
Fugal & Fugal, Inc.
and Peggy Fugal, as an officer

Dear Mr. Scribner:

Pursuant to our telephone coversation of January 10, 1995, enclosed please find copies of certain materials sent to your client, Peggy Fugal, on November 24, 1992. These include, first, a cover letter and, second, a copy of the factual and legal analysis, which was originally approved in 1992 and which the Commission revoted to approve on December 13, 1994. For your information, I have also enclosed a description of the Commission's enforcement procedures.

As we discussed, Ms. Fugal's responses to the informal interrogatories included with the November 24 letter were received, and are part of the record in this matter.

If you have any further questions, please call me at (202) 219-3690.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

Enclosures

9704380244

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 14, 1995

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Eric Schulzke
18 Willard Street
Newton, Massachusetts 02158

RE: MUR 3192

Dear Mr. Schulzke:

The Federal Election Commission has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, United States Code. The Commission has issued the attached subpoena which requires you to appear and give sworn testimony beginning at 10 a.m. on Thursday, May 4, 1995, at Commission's Office of General Counsel, 999 E Street N.W., Sixth Floor, Washington, D.C., in connection with an investigation it is conducting.

Because this information is being sought as part of an investigation being conducted by the Commission, the confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) applies. That section prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigatio is made. You are advised that no such consent has been given in this case.

You may consult with an attorney and have an attorney present with you at the deposition. If you intend to be so represented, please advise us of the name and address of your attorney prior to the date of the deposition.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid $40. Subsequent to the deposition, you will be sent a check for the witness fee. Per our previous telephone conversation, we will be in touch with you shortly regarding your travel arrangements.

9704383024 5

Please note that the subpoena also requires you to produce, prior to the deposition, certain documents that may be in your possession. You may consult with an attorney and have an attorney assist you in the preparation of your submission. However, you are required to submit the information not later than April 27, 1994.

Within two days of your receipt of this notification, please confirm your scheduled appearance with me at (800) 424-9530.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

Enclosure
Subpoena

9704383024 6

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)
) MUR 3192
)

SUBPOENA

TO: Eric Schulzke
18 Willard Street
Newton, Massachusetts 02158

Pursuant to 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby subpoenas you to appear for deposition with regard to the above-captioned matter. Notice is hereby given that the deposition is to be taken on Thursday, May 4, 1995, at the Federal Election Commission, Office of the General Counsel, 999 E Street N.W., Sixth Floor, beginning at 10 o'clock a.m. and continuing each day thereafter as necessary.

Further, pursuant to 2 U.S.C. § 437d(a)(3), you are hereby subpoenaed to produce all documents in your possession that in any way refer to, are about, or contain information regarding your participation in any event or activity in connection with the 1990 general election campaign for United States Representative from the Third Congressional District of Utah. Legible copies which, where applicable, show both sides of the documents, may be submitted for originals. The documents must be submitted to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, by Thursday, April 27, 1995.

9704383024 7

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C., on this 14th day of April, 1995.

For the Commission,

Danny L. McDonald
Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

9704383024 8

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 21, 1995

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Kenneth Murdock
4048 Devonshire Drive
Provo, Utah 84606

RE: MUR 3192

Dear Mr. Murdock:

The Federal Election Commission has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, United States Code. The Commission has issued the attached subpoena which requires you to appear and give sworn testimony beginning at 9 a.m. on Friday, June 2, 1995, at the Provo office of the United States Forest Service, 88 West 100 North, First Floor, Provo, Utah, in connection with an investigation the Commission is conducting. The Commission does not consider you a respondent in this matter, but rather a witness only.

Because this information is being sought as part of an investigation being conducted by the Commission, the confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) applies. That section prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made. You are advised that no such consent has been given in this case.

You may consult with an attorney and have an attorney present with you at the deposition. If you intend to be so represented, please advise us of the name and address of your attorney prior to the date of the deposition.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid $40, plus mileage. Subsequent to the deposition, you will be sent a check for the witness fee and mileage.

9704383024 9

Please note that the subpoena also requires you to produce, prior to the deposition, certain documents that may be in your possession. You may consult with an attorney and have an attorney assist you in the preparation of your submission. However, you are required to submit the information not later than May 23, 1995.

Within two days of your receipt of this notification, please confirm your scheduled appearance with me at (800) 424-9530 or (202) 219-3690.

Sincerely,

Lawrence L. Calvert Jr.

Lawrence L. Calvert Jr.
Attorney

Enclosure
Subpoena

9104383025 0

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of) MUR 3192)

SUBPOENA

TO: Kenneth Murdock
4048 Devonshire Drive
Provo, Utah 84606

Pursuant to 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby subpoenas you to appear for deposition with regard to the above-captioned matter. Notice is hereby given that the deposition is to be taken on Friday, June 2, 1995, in the Provo office of the United States Forest Service, 88 West 100 North, First Floor, Provo, Utah, beginning at 9 o'clock a.m. and continuing each day thereafter as necessary.

Further, pursuant to 2 U.S.C. § 437d(a)(3), you are hereby subpoenaed to produce all documents in your possession that in any way refer to, are about, or contain information regarding your participation in any event or activity in connection with the 1990 general election campaign for United States Representative from the Third Congressional District of Utah. Legible copies which, where applicable, show both sides of the documents, may be substituted for originals. The documents must be submitted to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, by Tuesday, May 23, 1995.

9104383025 1

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C., on this 20th day of April, 1995.

For the Commission,

Danny L. McDonald
Chairman

ATTEST:

for Delores Hardy
Marjorie W. Emmons
Secretary to the Commission

9 1 U 4 3 8 3 U 2 5 2

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 21, 1995

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Thomas J. Scribner, Esq.
2696 North University Drive
Suite 220
Provo, Utah 84604

RE: MUR 3192
Fugal & Fugal, Inc.
and Peggy Fugal, as an officer

Dear Mr. Scribner:

On December 16, 1994, you were notified that the Federal Election Commission had found reason to believe your clients, Fugal & Fugal, Inc. and Peggy Fugal, as an officer, violated 2 U.S.C. §§ 434(c), 441b(a), and 441d(a), provisions of the Federal Election Campaign Act of 1971, as amended.

Pursuant to its investigation of this matter, the Commission has issued the attached subpoena requiring Peggy Fugal to appear and give sworn testimony beginning at 1:30 p.m. on Tuesday, May 30, 1995, which will assist the Commission in carrying out its statutory duty of supervising compliance with the Federal Election Campaign Act of 1971, as amended. The deposition will be conducted at the Provo office of the United States Forest Service, 88 West 100 North, First Floor, Provo, Utah.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid $40, plus mileage. Subsequent to the deposition, your client will be sent a check for the witness fee and mileage.

Please note that the subpoena requires Ms. Fugal to produce certain documents that may be in her possession or in the possession of Fugal & Fugal, Inc., its successors or assigns. The documents must be submitted not later than May 23, 1995.

9704383025 3

Within two days of your receipt of this notification, please confirm the scheduled appearance with me at (202) 219-3690.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

Enclosure
Subpoena

9704383025 4

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 3192
)

SUBPOENA

TO: Peggy Fugal
Fugal & Fugal, Inc.
c/o Thomas J. Scribner, Esq.
2696 North University Avenue
Suite 220
Provo, Utah 84604

Pursuant to 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby subpoenas you to appear for deposition with regard to the above-captioned matter. Notice is hereby given that the deposition is to be taken on Tuesday, May 30, 1995, at the Provo office of the United States Forest Service, 88 West 100 North, First Floor, Provo, Utah, beginning at 1:30 o'clock p.m. and continuing each day thereafter as necessary.

Further, pursuant to 2 U.S.C. § 437d(a)(3), you are hereby subpoenaed to produce all documents in your possession or in the possession of Fugal & Fugal, Inc., its successors or assigns, that in any way refer to, are about, or contain information regarding your participation or that of Fugal & Fugal, Inc. in any event or activity in connection with the 1990 general election campaign for United States Representative from the Third Congressional District of Utah. Legible copies which, where applicable, show both sides of the documents, may be substituted for originals. The documents must be submitted to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463,

9704383025 5

by Tuesday, May 23, 1995.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C., on this 20th day of April, 1995.

For the Commission,

Danny L. McDonald
Chairman

ATTEST:

for Marjorie W. Emmons
Secretary to the Commission

9704383025 6

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 21, 1995

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Scott Lee Norton, Treasurer
Utahns for Ethical Government
4230 Scenic Drive
Provo, Utah 84604

RE: MUR 3192
Utahns for Ethical Government
and Scott Lee Norton, as treasurer

Dear Mr. Norton:

On December 16, 1994, you were notified that the Federal Election Commission had found reason to believe that Utahns for Ethical Government and you, as treasurer, violated 2 U.S.C. §§ 433(a), 434(b), 441a(a), or alternatively 434(c), and 2 U.S.C. § 441d(a), provisions of the Federal Election Campaign Act of 1971, as amended.

Pursuant to its investigation of this matter, the Commission has issued the attached subpoena requiring you to appear and give sworn testimony beginning at 10 a.m. on Wednesday, May 31, 1995, which will assist the Commission in carrying out its statutory duty of supervising compliance with the Federal Election Campaign Act of 1971, as amended. The deposition will be conducted at the Provo office of the United States Forest Service, 88 West 100 North, First Floor, Provo, Utah.

You may consult with an attorney and have an attorney present with you at the deposition. If you intend to be so represented, please advise us of the name and address of your attorney prior to the date of the deposition.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid $40, plus mileage. Subsequent to the deposition, you will be sent a check for the witness fee and mileage.

9704383257

Please note that the subpoena also requires you to produce, prior to the deposition, certain documents that may be in your possession. You may consult with an attorney and have an attorney assist you in the preparation of your submission. However, you are required to submit the information not later than May 23, 1995.

Within two days of your receipt of this notification, please confirm the scheduled appearance with me at (800) 424-9530 or (202) 219-3696.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

Enclosure
Subpoena

27043830258

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of) MUR 3192)

SUBPOENA

TO: Scott Lee Norton, Treasurer
Utahns for Ethical Government
4230 Scenic Drive
Provo, Utah 84604

Pursuant to 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby subpoenas you to appear for deposition with regard to the above-captioned matter. Notice is hereby given that the deposition is to be taken on Wednesday, May 31, 1995, in the Provo office of the United States Forest Service, 88 West 100 North, First Floor, Provo, Utah, beginning at 10 o'clock a.m. and continuing each day thereafter as necessary.

Further, pursuant to 2 U.S.C. § 437d(a)(3), you are hereby subpoenaed to produce all documents in your possession or in the possession of Utahns for Ethical Government that in any way refer to, are about, or contain information regarding your participation or that of Utahns for Ethical Government in any event or activity in connection with the 1990 general election campaign for United States Representative from the Third Congressional District of Utah. Legible copies which, where applicable, show both sides of the documents, may be substituted for originals. The documents must be submitted to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, by Tuesday, May 23, 1995.

9704383025 9

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C., on this 20th day of April, 1995.

For the Commission,

Danny L. McDonald
Chairman

ATTEST:

for Marjorie W. Emmons
Secretary to the Commission

9704383026 0

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 21, 1995

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Sheldon Kinsel
992 North Valley Drive
Heber City, Utah 84032-1027

RE: MUR 3192

Dear Mr. Kinsel:

The Federal Election Commission has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, United States Code. The Commission has issued the attached subpoena which requires you to appear and give sworn testimony beginning at 10:00 a.m. on Thursday, June 1, 1995, at the Provo office of the United States Forest Service, 88 West 100 North, First Floor, Provo, Utah, in connection with an investigation the Commission is conducting. The Commission does not consider you a respondent in this matter, but rather a witness only.

Because this information is being sought as part of an investigation being conducted by the Commission, the confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) applies. That section prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made. You are advised that no such consent has been given in this case.

You may consult with an attorney and have an attorney present with you at the deposition. If you intend to be so represented, please advise us of the name and address of your attorney prior to the date of the deposition.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid $40, plus mileage. Subsequent to the deposition, you will be sent a check for the witness fee and mileage.

9704383026 1

Please note that the subpoena also requires you to produce, prior to the deposition, certain documents that may be in your possession. You may consult with an attorney and have an attorney assist you in the preparation of your submission. However, you are required to submit the information not later than May 23, 1995.

Within two days of your receipt of this notification, please confirm your scheduled appearance with me at (800) 424-9530 or (202) 219-3690.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

Enclosure
Subpoena

9704383026 2

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 3192
)

SUBPOENA

TO: Sheldon Kinsel
992 North Valley Drive
Heber City, Utah 84032-1027

Pursuant to 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby subpoenas you to appear for deposition with regard to the above-captioned matter. Notice is hereby given that the deposition is to be taken on Thursday, June 1, 1995, in the Provo office of the United States Forest Service, 88 West 100 North, First Floor, Provo, Utah, beginning at 10 o'clock a.m. and continuing each day thereafter as necessary.

Further, pursuant to 2 U.S.C. § 437d(a)(3), you are hereby subpoenaed to produce all documents in your possession that in any way refer to, are about, or contain information regarding your participation in any event or activity in connection with the 1990 general election campaign for United States Representative from the Third Congressional District of Utah. Legible copies which, where applicable, show both sides of the documents, may be substituted for originals. The documents must be submitted to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, by Tuesday, May 23, 1995.

9704383026 3

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C., on this 20th day of April, 1995.

For the Commission,

Danny L. McDonald
Chairman

ATTEST:

Marjorie Emmons by D.H.
Marjorie W. Emmons
Secretary to the Commission

9104383026 4

[redacted] OF DESIGNATION OF COUNSEL

RE: 3/92

NAME OF COUNSEL: RANDY L. DRYER/J. MICHAEL BAILEY

ADDRESS: PARSONS BEHLE & LATIMER
201 S. MAIN, SUITE 1800, P.O. BOX 45898
SALT LAKE CITY, UTAH 84145-0898

TELEPHONE: (801) 532-1234

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

5/10/95
Date

[redacted]
Signature

RESPONDENT'S NAME: KENNETH MURDOCK

ADDRESS: 4068 DEPOMBRIAR DRIVE
PROVO, UTAH 84604

HOME PHONE:

BUSINESS PHONE: (801) 489-1601

9704383026 5

-93X

801 5366111 05-11-95 02:08PM P002 #1?

STATEMENT OF DESIGNATION OF COUNSEL

MUR 3192

NAME OF COUNSEL: RANDY L. DRYER/J. MICHAEL BAILEY

ADDRESS: PARSONS BEHLE & LATIMER
201 S. MAIN, SUITE 1800, P.O. BOX 45898
SALT LAKE CITY, UTAH 84145-0898

TELEPHONE: (801) 532-1234

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

5-11-95
Date

Signature

RESPONDENT'S NAME: SCOTT LEE NORTON

ADDRESS: UTAHNS FOR ETHICAL GOVERNMENT
4230 SCENIC DRIVE
PROVO, UTAH 84604

HOME PHONE: (801) 222-9757

BUSINESS PHONE:

9704383026 6

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 17, 1995

Sheldon Kinsel
992 North Valley Drive
Heber City, Utah 84032-1027

RE: MUR 3192

Dear Mr. Kinsel:

Pursuant to our telephone conversation of last week and the message I left on your answering machine on Tuesday, May 16, this is to confirm that your deposition in the above-captioned matter has been rescheduled. The deposition is now scheduled for Thursday, June 8, 1995, at 10 a.m. The deposition will still be taken at the Provo office of the United States Forest Service, 88 West 100 North, First Floor, Provo, Utah.

I appreciate your assistance in rescheduling the deposition. Please call me at (800) 424-9530 if you have any questions.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

9704383026 7

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 17, 1995

Thomas J. Scribner, Esq.
2696 North University Drive
Suite 220
Provo, Utah, 84604

RE: MUR 3192
Fugal & Fugal, Inc.
and Peggy Fugal, as an officer

Dear Mr. Scribner:

Pursuant to our telephone conversations, this is to confirm that the deposition of your client Peggy Fugal in the above-captioned matter has been rescheduled. Ms. Fugal's deposition is now scheduled for Tuesday, June 6, 1995, at 1:30 p.m. The deposition is still scheduled to be taken at the Provo office of the United States Forest Service, 88 West 100 North, First Floor, Provo, Utah.

Per our discussion of last week, please also find enclosed copies of Ms. Fugal's earlier answers to the Commission's informal interrogatories.

I appreciate your assistance in rescheduling the deposition. Please call me at (202) 219-3690 if you have any questions.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

Enclosure

9704383026 8

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 17, 1995

J. Michael Bailey, Esq.
Parsons Behle & Latimer
P. O. Box 45898
Salt Lake City, Utah 84145-0898

RE: MUR 3192

Dear Mr. Bailey:

Pursuant to my telephone conversations with you and with staff in your office, this is to confirm that the depositions of your clients Kenneth Murdock and Scott Lee Norton in this matter have been rescheduled. Mr. Murdock's deposition is now scheduled for Monday, June 5, 1995, at 1:30 p.m.; Mr. Norton's is now scheduled for Wednesday, June 7, 1995, at 10 a.m. Both depositions are still scheduled to be taken at the Provo office of the United States Forest Service, 88 West 100 North, First Floor, Provo, Utah.

Please call me at (202) 219-3690 if you have any questions.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

9704383026 9

BEFORE THE FEDERAL ELECTION COMMISSION

In the matter of

William Orton, et al.) MUR 3192 **SENSITIVE**

GENERAL COUNSEL'S REPORT

I. BACKGROUND

This matter concerns, among other things, allegations that purportedly independent expenditures made in the 1990 general election campaign for U. S. Representative from Utah's Third Congressional District were in fact coordinated with a candidate and/or his principal campaign committee. On December 13, 1994, the Commission found, inter alia, that William Orton and Orton for Congress ("OFC") and Jennifer Wilson, as treasurer, and Utahns for Ethical Government and Scott Lee Norton, as treasurer ("UEG"), violated various provisions of the Act in connection with the alleged coordination.[1] At that time, the Commission also approved subpoenas for the depositions of several individuals.

Since the Commission's action last December, this Office has conducted numerous informal telephone interviews and has conducted one deposition. Further depositions are, at this writing, scheduled to be taken in Provo, Utah, from May 30 through June 2, 1995. This report recommends that the Commission authorize a subpoena for the deposition of an additional individual, to be

1. The Commission had earlier made identical findings. The December 1994 actions were taken pursuant to the Commission's November 9, 1993 determinations regarding procedures to be followed in light of FEC v. NRA Political Victory Fund, 6 F.3d 821 (D.C. Cir. 1993), petition for cert. dismissed for want of jurisdiction, 115 S. Ct. 537 (1994).

9104383020

taken while staff is in Utah. It also recommends that the Commission authorize subpoenas to long distance and cellular telephone providers for billing records that may verify testimony concerning the frequency with which the principal actors communicated with each other during the campaign.

II. BASIS FOR ADDITIONAL DISCOVERY

A. Dan Darger

As noted in earlier reports on this matter, the circumstances that led to the creation of UEG apparently began with a series of three articles that appeared in the Student Review, a publication that was distributed in the vicinity of the campus of Brigham Young University in Provo. The articles concerned business ties between Karl Snow, who was Orton's opponent in the general election, and Michael Strand, who had twice been convicted of stock fraud. The author of the articles, Eric Schulzke, was a cousin of Snow's opponent in the primary election, John Harmer. See generally MUR 3192, General Counsel's Report, December 1, 1994 ("December Report"), at 3. After the article appeared, Schulzke and others formed UEG; one of UEG's purportedly independent expenditures was a tabloid advertising insert containing reprints of two of Schulzke's articles. See id. at 5, 7.

Staff of this Office deposed Schulzke on May 4, 1995. Schulzke testified that the first and third articles were in part based on a set of documents concerning Snow's and Strand's business transactions that had been provided anonymously to the Harmer campaign. Attachment 1 (Excerpts from Schulzke Deposition

9704383027 1

Transcript ("Dep. Tr.")).[2] Schulzke essentially inherited the documents from the Harmer campaign after Snow defeated Harmer in the primary election. Dep. Tr. at 46.

According to two news accounts, Salt Lake City attorney Dan Darger later admitted having been the source of the documents concerning Snow's business ties.[3] Attachments 2 and 3. Dan Darger was the brother of John Darger, one of the persons allegedly harmed in the Strand stock fraud who participated in a UEG press conference. In addition, Dan Darger's law office was reportedly on the same floor of a Salt Lake City office building as Orton's, and, by one account, Dan Darger and Orton may have shared a law library and receptionist. Id. Dan Darger is quoted in the news account in Attachment 2 as telling the reporter that he provided the documents to the Harmer campaign through an anonymous intermediary, and that, in the reporter's words, Dan Darger "still want[ed] to maintain the confidences involving that transaction." Id.

This Office believes it advisable to question Dan Darger about his involvement in the anonymous release, and subsequent use, of information about Snow's business ties. Inasumch as Darger was paraphrased in the news account as having stated that he wished to "maintain the confidences involved in that transaction," this Office further believes it advisable to

---

2. The entire transcript is available for review in the Docket Section of the Office of the General Counsel.

3. Clippings of the news accounts were provided by Schulzke in response to the document request contained in the subpoena for his deposition.

9704383027

question him under compulsory process. This Office therefore recommends that the Commission approve the attached subpoena for the deposition of Daniel Darger.

B. Telephone Records

This Office intends to question principal actors in this matter concerning when and how often they communicated with each other prior to the general election. To the extent the answers to such questions can be verified from long distance and/or cellular telephone billing records, this Office believes it would be advisable to obtain those records.[4] US West Communications, the regional Bell operating company with responsibility for telephone billing in Utah, advises that it will produce such records only under subpoena.[5]

Accordingly, this Office recommends the Commission approve subpoenas to US West Communications and to cellular telephone providers as yet unknown for long distance and cellular telephone

9 / U 4 3 8 3 U 2 / 3

---

4. The residences of Orton, UEG chair and treasurer Scott Norton, UEG consultant Peggy Fugal, and UEG member Ken Murdock were all apparently in Provo. Businesses owned by Murdock, Norton and Fugal were apparently in or near Provo. The residence of Sheldon Kinsel (a former OFC consultant who left the campaign, joined UEG, and then joined Orton's congressional office staff beginning the day Orton took office) was in Heber City, Utah. Orton's law office was apparently in Salt Lake City. US West Communuications advises this Office that telephone calls between any pair of Provo, Heber City and Salt Lake City are long distance calls.

5. US West also advises that searches for subpoenaed long distance billing records can only be carried out by telephone number, unless the telephone customer has the same number at present as he or she did during the period for which the records are requested. Consequently, this Office does not at this time anticipate that the subpoenas will name any of the individuals or entities whose billing records are to be subpoenaed. See Attachment 5 (model subpoena).

billing records for the residence, business, and cellular telephone lines of the principal actors in this matter covering the period from August, 1990 through November, 1990. While we recognize that this is a broad request, we anticipate making use of only some of the authority, should the Commission grant it. We present the request at this time and in this breadth, rather than at the close of depositions, in the interest of saving time. See In the Matter of 28 U.S.C. § 2462, Statute of Limitations, General Counsel's Report, April 28, 1995, at 28-29.

III. **RECOMMENDATIONS**

1. Approve the attached subpoena for the deposition of Daniel Darger.

2. Approve subpoenas to U.S. West Communications and cellular telephone providers as yet unknown for the production of long distance and cellular telephone billing records for the residence, business, and cellular telephone lines of the principal actors in this matter covering the period from August, 1990 through November, 1990.

3. Approve the appropriate letters.

5/11/95
Date

Lawrence M. Noble
General Counsel

Attachments:
1. Excerpts from Schulzke Deposition Transcript
2. Patrick Christian, Brother of Unique President Admits He Was Secret Source, Daily Herald (Provo, Ut.) (date and page number unavailable).
3. Patrick Christian, Snow Aide Asserts Orton Behind Attack, Daily Herald (Provo, Ut.) (date and page number unavailable).
4. Subpoena for the deposition of Daniel Darger
5. Model subpoena for telephone records

9704438302/4

Staff assigned: Lawrence L. Calvert Jr.
Martin A. Lewis

9704383025

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/MARY W. DOVE
COMMISSION SECRETARY

DATE: May 18, 1995

SUBJECT: MUR 3192 - MEMORANDUM TO THE COMMISSION DATED MAY 16, 1995.

The above-captioned document was circulated to the Commission on Tuesday, May 16, 1995, 11:00 a.m.

Objection(s) have been received from the Commissioner(s) as indicated by the name(s) checked below:

Commissioner Aikens		
Commissioner Elliott		
Commissioner McDonald		
Commissioner McGarry		
Commissioner Potter		
Commissioner Thomas	X	FOR THE RECORD ONLY

9704383026

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
William Orton, et al.) MUR 3192

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on May 18, 1995, the Commission decided by a vote of 5-1 to take the following actions in MUR 3192:

1. Approve the subpoena for the deposition of Daniel Darger, as recommended in the General Counsel's Report dated May 15, 1995.

2. Approve subpoenas to U.S. West Communications and cellular telephone providers as yet unknown for the production of long distance and cellular telephone billing records for the residence, business, and cellular telephone lines of the principal actors in this matter covering the period from August, 1990 through November, 1990.

3. Approve the appropriate letters, as recommended in the General Counsel's Report dated May 15, 1995.

Commissioners Aikens, Elliott, McDonald, McGarry, and Potter voted affirmatively for the decision; Commissioner Thomas dissented.

Attest:

5-19-95
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

Received in the Secretariat: Tues., May 16, 1995 8:51 a.m.
Circulated to the Commission: Tues., May 16, 1995 11:00 a.m.
Deadline for vote: Thurs., May 18, 1995 4:00 p.m.

bjr

9704 383 0277

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 19, 1995

BY FACSIMILE
AND FEDERAL EXPRESS

Daniel Darger, Esq.
9 Exchange Place, Suite 1000
Salt Lake City, Utah 84111

RE: MUR 3192

Dear Mr. Darger:

The Federal Election Commission has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, United States Code. The Commission has issued the attached subpoena which requires you to appear and give sworn testimony beginning at 10:00 a.m. on Friday, June 9, 1995, at the Office of the United States Attorney, 350 South Main Street, Room 478, Salt Lake City, Utah, in connection with an investigation the Commission is conducting. The Commission does not consider you a respondent in this matter, but rather a witness only.

Because this information is being sought as part of an investigation being conducted by the Commission, the confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) applies. That section prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made. You are advised that no such consent has been given in this case.

You may consult with an attorney and have an attorney present with you at the deposition. If you intend to be so represented, please advise us of the name and address of your attorney prior to the date of the deposition.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid $40, plus mileage. Subsequent to the deposition, you will be sent a check for the witness fee and mileage.

9704383028

Please note that the subpoena also requires you to produce, prior to the deposition, certain documents that may be in your possession. You may consult with an attorney and have an attorney assist you in the preparation of your submission. However, you are required to submit the information not later than May 26, 1995.

Within two days of your receipt of this notification, please confirm your scheduled appearance with me at (800) 424-9530.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

Enclosure
Subpoena

9704383029

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of) MUR 3192)

SUBPOENA

TO: Daniel Darger, Esq.
9 Exchange Place, Suite 1000
Salt Lake City, Utah 84111

Pursuant to 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby subpoenas you to appear for deposition with regard to the above-captioned matter. Notice is hereby given that the deposition is to be taken on Friday, June 9, 1995, in the Office of the United States Attorney, 350 South Main Street, Room 478, Salt Lake City, Utah, beginning at 10:00 a.m. and continuing each day thereafter as necessary.

Further, pursuant to 2 U.S.C. § 437d(a)(3), you are hereby subpoenaed to produce all documents in your possession that in any way refer to, are about, or contain information regarding the 1990 election campaign for United States Representative from the Third Congressional District of Utah. This includes, but is not limited to, any documents referring to Karl Snow, Michael Strand, Global Oil Company, Unique Battery Systems, Inc., or Atlas Stock Transfer Corporation, copies of which you provided, offered to provide, or caused to be provided to any candidate or political committee that made expenditures in connection with the 1990 election campaign for United States Representative from the Third Congressional District of Utah. Legible copies which, where applicable, show

0704320220

both sides of the documents, may be substituted for originals. The documents must be submitted to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, by May 26, 1995.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C., on this 19th day of May, 1995.

For the Commission,

Danny L. McDonald
Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

9704383028J

May 22, 1995

MAY 23 12 22 PM '95
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Reference case # MUR 3192

Dear Sirs:

Attached are the documents requested by subpoena which pertain to my involvement in the 1990 general election campaign for Utah's Third Congressional District seat.

Sincerely,

9704383002 8 2

10 Oct., 1990

Dear Bill;

I am hereby tendering my formal resignation, effective immediately, from your campaign. We have talked on many occasions about how to handle the information coming to light on Karl Snow's involvement in the Global/Unique case and related matters. I understand your refusal to raise this critical issue and the principles which lead you to this decision. However, I strenuously disagree with you on this. I strongly believe that you have an obligation to raise this issue which goes to the heart of his competence and worthiness to serve in the congress. That would give the voters the complete picture of this man. Only then could they intelligently decide whether to chose him to represent them--and I am confident they would not chose him.

Since I am convinced that this is a good government issue which goes to more basic considerations than who will represent this congressional district, I cannot sit by idly and not work to see it raised. Since you have made it clear that you will not permit your campaign staff or volunteers to raise this issue with anyone--and will fire anyone who does--I have no choice but to leave the campaign.

This is a very painful decision for me because, from my years of experience working with Congress, I know that you will be one of the truly great members of the House and that the nation needs all the men and women of your caliber we can muster if we are to successfully solve the many problems facing us. I wish you the very best of luck through the remainder of the campaign!

Sincerely,

Sheldon

I will complete the several research projects still in process in the next few days and get them to you to complete my obligations to the campaign.

9704383028 3

file copy, not our

SUGGESTED STRATEGY

Attack Snow on trust me, judgment, experience gambit.

Outline of attack:

You have tried to make this an issues oriented campaign. You are not a politician and you are sick of politicians who will not tell the voters where they stand on the issues. Can't get Karl to be specific either voluntarily, of through debates which he publicly agreed to but has now gone back on his word on. Although he has had no Washington experience--and you have--he is asking voters to trust him and his state experience and his judgment.

That is business as usual. "I want you to know what I will do, how I will get there, what my vision is of the future. Karl wants you to sign a blank check. Voters in the past have sent too many blank check politicians to congress. That is what has given us the savings and loan scandal, the $3.2 trillion national debt, the current mess we have back in Washington. And make no mistake, it is a blank check and every man, woman and child will have to pay for it.

Gross interest on the debt, approx. $258 B. = $1000 each

S and L, about $500 to $600 B. = $2000 to $2200 each

National debt, about $3.2 trillion = over $12,000 each

or over $15,000 for each person in the country--or far more than the average Utah family earns in a year.

and next year the figure is projected to go up $1200 each IF the recession we are in is mild.

We literally cannot afford the kind of politics as usual which Karl Snow rapresents.

Karl asks to trust his judgment, but in the couple of instances, through the debates he could not avoid, we have been able to get some idea of how dangerous that would be.

Example: Prefers the Graham-Rudman sequester to go into effect rather that the recent budget

9704383024

compromise--which wasn't perfect and would not have been the way your would have done it--worked out by the President and the Republican and Democratic leadership of the House and the Senate.

Let's look at what that would mean:

cut $85 billion, with half from defense and half from most other domestic programs. That would be almost a 15% cut. It would devastate our national defense, especially as we try to prepare for possible war.

The other half, $42.5 billion would come from domestic programs and some of the most personnel intensive ones, like law enforcement, the justice department, the Internal Revenue Service, and air traffic control would be hit the hardest.

IRS would lose about a third of its personnel, and that would cost billions because of reduced tax collections.

Is that a responsible attitude? You would hope that when the President and both parties in congress get together on an issue that it must be important. Karl just plays politics as usual, or else he doesn't understand the problem. Neither one is a particularly good recommendation.

That is the choice the voters have, the old, discredited politics of the past which Karl represents, of the politics of the future with vision to see new solutions to the major problems facing us.

9704383025

file copy

TAKE TWO

Miscellaneous suggestions

Try to get some understanding of the length of time for answers to questions ahead of time. Decker has a tendency to run a very staccato program, emphasizing short answers, which will help Snow because of the shallowness on the issues. You may have to suggest at several points that "this is a good question, we need some more time to get into it in enough detail for the voters to see where we stand."

He always asks each candidate to give a one minute biography..."no politics, just tell us about yourself." I suggest you cover those things which will indirectly make a political statement, born in Ogden raised in Utah, life long resident "except for two years in Oregon," dairy farm, IRS, graduated from BYU Law School, Tax attorney, office here and in D.C., teach others tax law, lived in the district for last x years, live in provo canyon, enjoy outdoors, and how about looking at the camera, giving your most charming smile, and saying that "I just want to let anyone out there know who might be interested to know that I am a very eligible bachelor."

You should have a succint answer which touches all the bases: why do you want to go to congress, or words to that effect. Answer should include, experience working with congress, problems you want to solve, time in your life when you have youth, energy, etc. to do it.

If you have an opportunity during the commercial breaks you have Karl pinned cornered, you might use it to try to pin Karl down on some things (of course you will have your tape recorder running). Like after a question on taxes, you could say, "You know Karl, I am going to keep hammering you on taxes. Why don't you get a briefing on taxes while you are back in D.C. fund raising and let's have a debate just on this issue." or " Karl let's pick just one issue and go at it in detail. What do you want to do?" Or if the stock fraud scheme comes up, "Karl how do you explain the direct quotes that so directly contradict your statements?" The point is to get him worked up so maybe he will lose it live on camera over something else. You know that he has a history of

9704383026 6

this.

A thought: are you CPR certified? What a great headline: "Orton Revives Stricken Opponent!" Apparently, his health problem is his heart.

Remember that you are "on camera" all the time. You can use this to advantage, sometimes. For example, if strongly disagree with a point Snow is making, and you are smiling and shaking your head, the director in the control room seeing this just might cut to you for a fraction of a second and that can be a powerful visual counter to what Snow is saying. The same goes for not wiping your brow except during commercials, yawning unless you want to convey boredom.

When you speak, you need to always be aware and include the viewers at home as part of the audience. At appropriate times, you should be looking at the camera rather than at Decker or Snow. That tends to engage the viewers more in what you are saying. For example, opening and closing statements are best given to the viewers. Answers to questions to Decker, if he asked them, unless you refer to the voters, in which case you can talk to the camera for that portion. If you are answering a viewer question, I'd suggest looking at the camera.

You have a tendency to use hand gestures a lot as you speak. In a "hot" medium like TV a lot of hand gestures are distracting.

Two planted questions to be ready for:

First priority question--"The newspaper out out by the BYU students has in the past few weeks published a lot of information showing that Karl Snow was actively involved in the stock fraud scheme promoted by Mike Strand. Since the so-called independent study recently done by Mr.

2/U4330281

Snow's own CPA specifically says that it did not examine this involvement, I'd like both Mr. Snow and Mr. Orton to comment on it."

Second priority:

"Recently the President and the Republican and Democratic leaders of the House and Senate agreed on a $500 billion budget deficit cutting plan. The President went on TV and said it was vital to our nation's future that this be passed, but Congress rejected it and both of these candidates announced that they opposed it also. I want to know specifically what alternatives these two have to reduce the deficit by at least $500 billion over the next 5 years."

9704383028 9

Opening Statement to the Press
by Scott Norton

Good morning, ladies and gentlemen. Thank you for coming.
First, I would like to lay down a few ground rules. This is a press conference. We have members of the public here and we welcome them, but we will not take any questions from them. After the press conference, all of our participants will be happy to talk with any interested parties.

My name is Scott Norton. Before we begin the press conference, I need to make a few things very clear. I do not represent Bill Orton. I am not associated with the Bill Orton campaign. I am a private citizen. Contrary to what Karl Snow would prefer, this is still a free country. It is my Constitutional guarantee to speak out if I feel the need. It is also my Constitutional right to spend any amount of money I want as long as it is connected with no campaign. Contrary to Karl Snow's charges, I am in violation of no federal elections laws. Nor am I a close personal friend of Bill Orton's.

It was an article in the *Student Review* that finally moved me to action. I contacted the writer, Eric Schulzke, and here we are. That was nine days ago.

The pressing question we have is this: **Why is it that Karl Snow is allowed to slander the integrity of every individual who ever confronts him, yet no one is allowed to question the integrity of Karl Snow?** That is what Utahns for Ethical Government is all about. That is why we are here today.

There are three names that keep coming up when you talk about Karl Snow: Mike Strand, Unique Battery, and Global Oil.

Mike Strand is a twice-convicted penny stock felon. Karl said he never had any financial dealings with him other than buying stock. The men here today say he was deeply involved.

Karl says he never let his name be used to sell Global Oil stock. These investors say he did.

Unique Battery attempted to merge with Mike Strand's Global Oil. Karl says he never owned any Unique Battery stock. But he signed a document claiming he did.

9704383029

These are the peo[redacted]o were involved -- who saw fi[redacted]nd the relationship between Karl Snow, Mike Strand, Unique Battery, and Global Oil. Each will make a brief statement; when all have finished, they will entertain questions from the press. We will distribute to you packets with copies of their sworn statements as well as documents and other information that will help you in writing your stories.

I will begin by reading a sworn and notarized statement by Maurice Turley, international trade expert and secretary/treasurer of Patio Products, Inc., of El Paso, Texas

I will be followed in this order:

John Darger, former president, Unique Battery

Herb Gleason, Florida businessman

Percy Kalt, former professor of music at Brigham Young University

9/04/38302 0 0

Statement to the Press
by Herb Gleason

Karl Snow denies extensive involvement with Mike Strand, and denies involvement with the Unique Battery/Global Oil penny stock scheme. He is lying. I was there.

I was approached by John Darger in January 1985 with an invitation to invest in Unique Battery, a company that was attempting to merge with Mike Strand's Global Oil. With money to spend on behalf of investors, I began an investigation of the company.

I had my doubts about Strand, a convicted felon. But others who were involved seemed credible. One of the most impressive was Karl Snow, a Utah State Senator and professor at BYU. **Snow's credibility was a major factor in my decision to invest.**

I'm puzzled by Snow's claims that he was not involved with Mike Strand. I sat in many meetings with the two of them. Snow admitted openly that he had an official position in Strand's company -- a position that was represented as ownership. Snow had a major stockholder position with Strand's company. Snow told John Darger -- who then told me -- that he recommended buying stock, because we all would make lots of money. **If that's not involvement, I'd like to know what is.**

9/04383029 1..

Herbert C. Gleason
10/24/90

NOTARY PUBLIC
GARY
R. TAYLOR
542 W. 1720 N.
Provo, UT 84601
Comm. Exp.
6-10-92
STATE OF UTAH

WITNESS MY
HAND & SEAL
THIS 24 OCTOBER, 1990

Statement to the [redacted]ss by John Darger

Karl Snow denies extensive involvement with Mike Strand, and denies involvement with the Unique Battery/Global Oil penny stock scheme. He is lying. I was there.

In a desperate attempt at what was, in Karl Snow's own words, **"below-the-belt political skullduggery,"** he felt the need to mention that I am a polygamist. I might remind you that I'm not the one on trial here. **Karl Snow is.**

I should know the principals involved in the Unique Battery/Global Oil merger: I was an owner of Unique Battery, and I was there. **So was Karl Snow.**

Prior to the merger, Mike Strand arranged for Karl Snow to be an officer of the company because of what Mike Strand called Karl's "political influence." Karl was there for credibility.

Yesterday Karl Snow said he had only met me on two occasions. I'm not sure why he feels pressed to lie about such a detail. I was in Mike Strand's office **many** times with Karl Snow. I personally witnessed **numerous** dealings between Snow and Strand. I saw Karl Snow come to Strand's office on **many** occasions for private meetings between the two of them. I often sat in Mike's office and watched Karl working in an adjacent office, which had been set up for him as a principal. My wife and I even sat at Karl Snow's table at the Governor's Ball.

Karl claimed yesterday that he did not offer Mike Strand any help with his legal problems. I watched Karl Snow spend time in Mike's office as they planned strategies and went over papers to present to U.S. Attorney Brent Ward.

Karl insinuated yesterday that he was only briefly involved with Strand out of ecclesiastical concern. I know differently. I personally saw Snow and Strand meet many times. They went out together often.

Strand sent flowers to Snow's wife on her birthday. It was obvious they were not new acquaintances.

Throughout my dealings with Global Oil, Karl was a constant. **For him to claim otherwise raises serious questions about his memory, his integrity, or both -- and serious questions about whether he should be elected to the United States Congress.**

John D. Darger

9704383092

Statement to the Press
by Dr. Percy Kalt

Karl Snow denies extensive involvement with Mike Strand, and denies involvement with the Unique Battery/Global Oil penny stock scheme. He is lying. I was there.

When I was invited to invest in Global Oil/Unique Battery, I was reluctant. But Mike Strand referred me to Karl Snow. "Snow will clear my name with you," he said. "He helped get me released from prison."

Yesterday Karl claimed otherwise -- but he himself told me he had helped get Strand released from prison -- because the prison term was, in his words, "a travesty committed by the IRS on Mike Strand."

Snow also told me he was an officer of Global Oil/Unique Battery, and that he himself owned 100,000 shares of stock in the company. He gave the company and Strand his highest recommendation. **Based on Snow's recommendation, I invested $25,000.**

Within 30 to 60 days, it became obvious that the stock offering was a swindle. Unique Battery called a meeting of stockholders that I attended. Company officers listed on the blackboard the names of major stockholders; according to notes I took at the time, Karl Snow was listed as owning 100,000 shares.

Karl said yesterday that he understands the principle of caring. But when it became obvious that I had been defrauded, I called Karl and asked him why he had recommended the stock to me. "I had nothing to do with this," he replied. "Please leave me out of this."

Karl referred to me yesterday as a "fire-bomber." I was so distraught after losing the money Karl influenced me to invest that I behaved irrationally. The stock scheme that Karl involved me in destroyed my life. It cost me tens of thousands of dollars. It cost me my career. **But I have paid my debt to society. When will Karl pay his?**

Karl proclaimed yesterday that "this is a district based on people helping each other when they're down." Yet after involving me in a scheme that cost me my financial security and my career, he refused to testify on my behalf in court. Karl thinks he can just walk away. It's not that easy. Karl Snow **was** involved, and with his influence involved me. I cannot turn my back on that -- **and I don't think Karl Snow should, either.**

Percy D. Kalt

10-23-90

Notary Public
STATE OF UTAH
My Commission Expires
September 1, 1991

My name is Maurice Turley; a business partner of Herb Gleason, I was living in Corpus Christie, Texas, when Herb alerted me to a "good deal" in Utah. He encouraged me to invest money in Mike Strand's Global Oil. When I questioned the company, he assured me he had checked it out and found it to be a viable investment opportunity. I invested an approximate total of $60,000 (which was part of the $118,000 invested by Herb Gleason).

A month after sending my initial investment, I visited Mike Strand's office to personally check out the company. During the time I was at the office, Mike brought up Karl Snow's name several times. When I asked who Karl Snow was, Mike told me that his associate Karl Snow was a Utah State Senator and a BYU professor, which gave the company credibility in my eyes. Karl Snow was promoted by Mike Strand as an influential and powerful individual who was involved with the company.

In the end, I lost my total investment, which included two properties I had used to guarantee the money.

8704383029 4

R. Maurice Turley

STATE OF UTAH
My Commission Expires Jan. 12, 1994
Weber County
Ogden, Utah 84403
3619 Adams Avenue
MICHAEL S. BROWN
NOTARY PUBLIC

RESIDES IN MIDVALE, UT.

Statement to the Press
by Dr. Percy Kalt

Karl Snow denies extensive involvement with Mike Strand, and denies involvement with the Unique Battery/Global Oil penny stock scheme. He is lying. I was there.

When I was invited to invest in Global Oil/Unique Battery, I was reluctant. But Mike Strand referred me to Karl Snow. "Snow will clear my name with you," he said. "He helped get me released from prison."

Yesterday Karl claimed otherwise -- but he himself told me he had helped get Strand released from prison -- because the prison term was, in his words, "a travesty committed by the IRS on Mike Strand."

Snow also told me he was an officer of Global Oil/Unique Battery, and that he himself owned 100,000 shares of stock in the company. He gave the company and Strand his highest recommendation. **Based on Snow's recommendation, I invested $25,000.**

Within 30 to 60 days, it became obvious that the stock offering was a swindle. Unique Battery called a meeting of stockholders that I attended. Company officers listed on the blackboard the names of major stockholders; according to notes I took at the time, Karl Snow was listed as owning 100,000 shares.

Karl said yesterday that he understands the principle of caring. But when it became obvious that I had been defrauded, I called Karl and asked him why he had recommended the stock to me. "I had nothing to do with this," he replied. "Please leave me out of this."

Karl referred to me yesterday as a "fire-bomber." I was so distraught after losing the money Karl influenced me to invest that I behaved irrationally. The stock scheme that Karl involved me in destroyed my life. It cost me tens of thousands of dollars. It cost me my career. **But I have paid my debt to society. When will Karl pay his?**

Karl proclaimed yesterday that "this is a district based on people helping each other when they're down." Yet after involving me in a scheme that cost me my financial security and my career, he refused to testify on my behalf in court. Karl thinks he can just walk away. It's not that easy. Karl Snow **was** involved, and with his influence involved me. I cannot turn my back on that -- **and I don't think Karl Snow should, either.**

Percy D. Kalt

10-23-90

9704383029 5

Not only are the reports not truly independent, but they are also both narrow in scope and superficial.

The Hill Report— Hill addresses Snow only in passing on his way to Harmer. Hill barely mentions the Strand/Snow relationship. Dates on the facsimile transmission prove he received several of the key documents only **the night before** he released the report. Hardly a thorough investigation.

The Bramble Report— Bramble addresses four very limited questions worked out in agreement with Snow (see above). We have strong reason to believe that these questions were clearly designed so Bramble could **answer without difficulty**. Bramble ignored serious questions going beyond mere **legality** to **integrity** itself. (see part

Integrity?— Neither report directly addresses integrity. Everyone who is familiar with them—including Karl Snow—knows this. Yet Snow and a few of the Republican establishment continue to cite Hill and Bramble as as their all-purpose response to all questions about Snow's involvement with Strand's penny stock schemes.

Snow recently said of the Hill report, "I was cleared of any financial improprieties or misconduct. . . . ." Snow then went on to say Bramble's report, "cleared me of any tax liability, wrongdoing, or financial impropriety" (*Student Review*, 10/24/90).

Bramble knows his report does nothing of the sort. We recently asked Bramble if his report cleared Snow of *any* charges of illegality or dishonesty in relationship to Strand. **Bramble said no.** We asked him if the report was a blanket defense against *any* wrongdoing, dishonesty, or other financial misconduct. **Again, Bramble said no.** But that is precisely how Snow has used Bramble's report.

Is it any wonder that the issue will not go away? Is it any wonder that voters are frustrated because they cannot get straight answers to simple but important questions about Snow's personal integrity? The issue will not go away because neither report addressed all the questions. Listed below are a few of the key questions left unanswered by the Hill and Bramble reports:

9704383006

1) Did Snow know that he held title to 100,000 shares of Global Oil stock?

Bramble concludes that Snow did not know he owned the 100,000 shares, and Snow claimed in August that he had **"never heard"** of the 100,000 shores. Later he claimed that he heard about them soon after he received them and immediately issued a stock power to return them. But they never were returned. Kalt, who says he invested at Snow's recommendation, issued a sworn statement that Karl Snow specifically mentioned to him that he had 100,000 shares of Global Oil stock.

A key issues in Bramble's report is whether Snow received "compensation, in the form of stock certificates, in connection with services performed in the Global Oil/Unique Battery reorganization" and "if so, was this compensation properly reported for income tax purposes." Bramble Report concludes that "there is no evidence that Snow ever actually received or acknowledged ownership of these shares of stock." Kalt's statement holds that Snow did acknowledge ownership. Snow's own signature signing the shares over to Mike Strand also acknowledges them. Bramble could hope that Snow did not acknowledge the shares, but he could not accurately state that there is "no evidence" that he had.

2) Why did Snow sign a merger agreement attesting that he owned stock in Unique Battery, and then maintain that he never owned any Unique Battery stock?

Hill stated that Snow did own shares in Unique Battery. Bramble said he did not. Snow also claims that he never held Unique Battery stock. But he signed a legal document claiming he did. This question could have a significant bearing on the conclusions of both reports, yet these discrepencies between the two reports and between Snow's own statements have never been resolved.

3) The most important question is integrity. Has Karl Snow seriously misrepresented his relationship to Mike Strand? If so, what does that say about his integrity?

Snow claimed his relationship to Strand was brief and insignificant. When first asked about Strand, Snow called him "a kid I helped once (*The Daily Herald* 10/14/90)."

9704383021

The independence of the Hill and Bramble reports is highly questionable, but even if they were independent, events of the last few weeks demonstrate that both reports are clearly **superficial**.

Hill addresses the Strand connection only in passing. Dates of the facsimile transmission prove that he received several of the key documents only **the night before** he released the report. Hardly a thorough investigation.

Bramble addresses limited questions worked out in agreement with Snow. We have strong reason to believe that these questions were clearly designed so Bramble could give the **desired answer**. Bramble ignored serious questions going beyond mere **legality** to **integrity** itself.

We continue to believe that integrity is the key issue the voters should be looking at. It almost goes without saying that the voters have every right to expect that any nominee for political office has no illegal activities to hide and we have not accused Karl Snow of doing anything illegal. We also believe that the voters have a right to expect that any candidate who seeks to represent the people be a person of the highest integrity.

Quite apart from the substantive and structural deficiences we ahve already alluded to, neither of these reports directly addresses the integrity issue we have raised. Everyone who is familiar with them -including Karl Snow- realizes this fact. Yet Karl Snow and, most recently, key members of the Republican Party establishment continue to cite the Hill Report and the Bramble Report as as their all-purpose response to any questions anyone raises about Karl Snow's involvement in this penny stock scheme. The very fact that they continue to do this simply adds to the questions of personal integrity which swirl around Karl Snow's involvement in this matter.

It is clear that Mr. Bramble realizes the limitations of the report he prepared at Karl Snow's request. We recently asked Mr. Bramble if his report cleared Snow of any charges of illegality or dishonesty in relationship to Strand. **Bramble said no**. We asked him if the report was a blanket defense against any wrongdoing. Again, Bramble said no. But that is precisely how Snow has used it. Is it any wonder that the issue will not simply go away? Is it any wonder why more and more voters are becoming increasingly frustrated because they cannot get straight answers to simple but important questions about Karl Snow's personal integrity?

9704383298

When Snow was asked if he helped Strand try to overturn his first conviction, he told *The Herald*, "No that was Hatch." But it was Snow who wrote several letters on Strand's behalf and even flew to Washington to argue the case. Snow has since admitted this.

Asked about the 100,000 shares of Global stock issued to him, Snow first said he had "never heard of these 100,000 shares at all." (*Deseret News* 8/20/90). Now he explains in detail how the shares were issued to him before he could decline a directorship and that he immediately returned those shares ("Take Two" 10/14/90). The problem is, he never returned the shares. He gave them to Mike Strand, who was not an officer in the company.

Karl Snow has said that he was "never involved with any of his (Strand's) companies" (*Deseret News* 8/20/90) and that he was "just an investor" (*Deseret News*, 10/6/90). Bramble agreed. However, sworn statements by several other participants (notably Herb Gleason and Dr. Percy Kalt) hold that **Karl Snow was an active participant in the scheme.** Significantly, neither of these men were interviewed by either Hill or Bramble.

Contrary to his own statements, it appears that Snow's relationship with Strand was deep and prolonged. In 1985, while the Global Oil program was in full tilt, Snow referred a creditor to Strand in a letter, saying, Strand would speak "for and in behalf of the Snow for Governor Committee" (Fugal letter). Clearly, Snow has misrepresented his connections to Strand. This is not a question of legality. It is a question of integrity, and Hill and Bramble sidestepped it.

Conclusion

Even a quick glance at the unanswered (and unasked) questions, the discrepencies, and the contradictions involving Snow and the Unique Battery/ Global Oil penny stock merger demonstrates that the full story has yet to be told. Indeed, we may never know what the truth is. But we are convinced that answers to the questions we have posed here would move us closer to the truth.

9704383029

The issue will not go away simply because neither report addressed all the questions. listed below are a few of the key questions left unanswered by the Hill and Bramble reports:

1) The most important question is integrity. Has Karl Snow seriously misrepresented his relationship to Mike Strand?

Background

Snow claimed his relationship to Strand was brief and unsubstantial. When first asked about Strand, Snow called him "a kid I helped once (*The Daily Herald* 10/14/90)." This is the same Strand who he referred a creditor to in a letter, saying, Strand would speak "for and in behalf of the Snow for Governor Committee."

When Snow was asked if he helped try to overturn Strand's first conviction, he told *The Herald*, "No that was Hatch." But it was Snow who wrote several letters on Strand's behalf and even flew to Washington to argue the case. He has since admitted it.

Asked about the 100,000 shares of Global stock issued to him, Snow first said he had "never heard" of them (*Deseret News* 8/20/90). Now he explains in detail how the shares were issued to him before he could decline a directorship and that he immediately returned those shares ("Take Two" 10/14/90).

Karl Snow has said that he was "never involved with any of Mike Strand's companies" and that he was "just an investor"(Deseret News, 10/6/90. While the Bramble Report reaches much the same conclusion, sworn statements by several other participants (notably Herb Gleason and Dr. Percy Kalt) which have come to light after the Bramble Report was issued state that **Karl Snow was an active participant in the scheme.** Significantly, neither of these individuals were interviewed for either the Hill Report or the Bramble Report, yet Karl Snow continues to cite these reports when asked questions about their charges.

2) Why did Snow sign a merger agreement attesting that he owned stock in Unique Battery, and then maintain that he never owned any Unique Battery stock.

The Hill report stated that Snow did own shares in Unique Battery. The Bramble report claims he did not. Snow also claims that he never held Unique Battery stock. However, he signed a legal document in which he claims that he did own shares. It appears that whether he did own shares of Unique Stock could have a significant bearing on the conclusions of one or the other of these reports , yet these discrepencies have never been resolved.

Y / U 4 3 8 3 0 3 0 0

3) Did Snow know that he held title to 100,000 shares of Global Oil stock?

The Bramble report concludes that Snow did not know he owned the 100,000 shares, and Snow claimed in August that he had never heard of the 100,000 shores at all ." Later he claimed that he heard about them soon after he received them and immediately issued a stock power to return them. Dr. Percy Kalt, who says he invested in Global Oil at Karl Snow's recommendation, maintains in a sworn statement that Karl Snow specifically mentioned to him that he had 100,000 shares of Global Oil stock.

One of the key issues addressed in the Bramble Report (Issue 1) is whether Karl Snow received "compensation , in the form of stock certificates , in connection with services performed in the Global Oil/Unique Battery reorganization" and " if so, was this compensation properly reported for income tax purposes." In reaching their conclusions, the authors of the Bramble Report conclude in part that "there is no evidence that Snow ever actually received or acknowledged ownership of these shares of stock." In fact, the Kalt statement shows that on at least one ocassion he did acknowledge ownership. The question of how this information might have affected the conclusion in the Bramble Report has never been addressed specifically.

CONCLUSION

Even a casual examination of the unanswered questions, unexplained discrepencies and unnerving contradictions which characterize the Unique Battery/ Global Oil penny stock merger scheme are enough to convince anyone that the full story has yet to be told. Indeed, we may never know what the truth is, although we are convinced that answers to the questions we have posed here would move us closer to determining it.

We can state emphaticclearly for the purposes of the voters who

9704383074

Main points on the Snow Reviews.

1. Why did Snow sign a document saying he owned shares in Unique Battery, and then maintain that he never owned any shares?

2. If Snow never owned any shares in Unique Battery, why did Strand say he did in the Hill report?

3. Bramble says "there is no evidence that Snow ever actually received or acknowledged ownership of these shares of stock" (referring to the 100,000 shares of Global Oil). In fact in his sworn Statement, Dr. Percy Kalt says that Snow not only acknowledged that he was a stockholder of at least this amount, he also claimed that he was a director. In addition, on Take Two and in several subsequent interviews, Snow acknowledges that he knew of the stock and immediately signed a stock power giving it back. In fact the stock stayed in his name for almost three years and then was transferred back to a Mike Strand company.

4. Bramble says there is "no evidence that Snow ever participated in the management or operation of either Unique Battery or Global Oil." Both Herb Gleason and John Darger disputes this and say that Snow was directly and intimately connected with these types of activities. John Darger was interviewed by Bramble and Gleason and Kalt could have been.

5. The Bramble Report admits that it was "beyond the scope of this (the Bramble Report's) investigation to reach conclusions as to the nature of the relationship between Mike Strand and Karl Snow." However, it is the wide disagreement about the nature of this relationship which raises the question of integrity. We do not know what this relationship was, but we do know that neither the four attorney's or the Bramble Report adequately addressed it.

GENERAL PRACTICE WITH
LITIGATION EMPHASIS

DANIEL DARGER
ATTORNEY AT LAW

1000 BOSTON BUILDING
9 EXCHANGE PLACE
SALT LAKE CITY, UTAH 84111

TELEPHONE:
(801)531-6636

FAX:
(801)531-6690

May 25, 1995

Lawrence L. Calvert
Federal Election Commission
999 East Street NW
Room 819
Washington, DC 20004

RE: 1990 Election / Congressman Orton MUR 3192

MAY 26 9 52 AM '95
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

Dear Mr. Calvert:

Enclosed is a copy of all the documents in my file pertaining to the 1990 election of Congressman Orton.

There may be other documents in storage that pertain directly to my unique battery files if they have not been destroyed. However, I have been unable to locate these boxes to date, and they are now files that are over 10 years old and my have been destroyed. If I find additional documents I will be happy to provide them to you.

Very truly yours,

Dan Darger (mv)

DANIEL DARGER
Attorney at Law

DD/mv
Enclosure

9704383033

9704383030304



Ichabod Snow and The Legend of Sleepy Hollow

HOUSE OF REPRESENTATIVES
WASHINGTON, D. C. 20515

WILLIAM H. ORTON
THIRD CONGRESSIONAL DISTRICT
UTAH

9704383030 5

The Salt Lake Tribune

Vol. 241 No. 25 | Salt Lake City, Utah—Thursday Morning, November 8, 1990 | First Edition



Rep. Wayne Owens and Congressman-elect Bill Orton review their campaigns Wednesday at Democratic Party headquarters in Salt Lake City after their big triumphs

Utah's Republicans Lick Their Wounds

By Douglas L. Parker
Tribune Political Editor

Democrats in Utah called it a watershed year and Republicans said wait until '92 as they woke up Wednesday following a general election that had singularly altered the politicians' bearings on the election landscape beyond all expectations.

They were still humming over how political novice Bill Orton — a Democrat wandering in a land steeped in Republicanism — could be called congressman-elect while being outspent, out organized, out-endorsed — and have no less than the White House against him to dispatch Vice President Dan Quayle for his burial.

"This will give courage to those people who are Democrats," Mr. Orton said at a gathering of Democratic leaders reveling in their good fortune. "They will see that you can stand up against all of the odds and win."

Profiling Orton: A-4

Republican officialdom was more inclined to see Mr. Orton a 3rd Congressional District victory over political insider Karl Snow as a flash in the pan, built on a vicious split in GOP ranks stemming primary competition which in turn primed one of the state's most negative campaigns and created despair among the voters.

But Mr. Orton, calling himself a conservative pragmatist more than a partisan infighter, didn't just eke out the win in this dominant Republican district. He built a landslide 58 percent victory — 5 points ahead of Mr. Snow — winning in all counties except Daggett and Uintah, holding 10,000-vote margins in Utah and Salt Lake counties.

The big topic of conversation in

by
Washington, D.C., this morning at the Democratic Utah Rep. Wayne Owens observed is how this kid from Provo won the most Republican district in the entire United States of America. (Mr. Orton is 42 years old.)

Of course, he had a lot of help from Dan Quayle, Rep. Owens said gleefully.

The 2nd District Congressman could afford to be cheerful. He had just won his own 58 percent victory for a third consecutive term in Congress. He won by 16 percent over Republican Genevieve Atwood, who found herself pouring $120,000 of her own money into a campaign that in the end was outspent by the incumbent by a 3 to 1 margin. Rep. Owens raised around $800,000 to win re-election — the biggest spending of the three congressional campaigns in Utah.

Utahns have to look back to the

See A-4, Column 3

Now voters have spoken, heal campaign wounds

Aren't Americans supposed to be losing patience with politics and government in response to rising taxes, a faltering economy and the risk of war in the Persian Gulf?

Maybe so. But it would be hard to prove that conclusion on the basis of the latest election returns across the country.

Yes, the voter turnout on Tuesday was lamentably low, with only 35 percent of eligible voters going to the polls. But that's usually the case in contests where the president is not on the ballot. Besides, there has long been a trend for more Americans to avoid registering altogether.

Consequently, the apathy expressed Tuesday didn't send this nation's leaders any message that they hadn't already heard many times before.

Instead, if the results of the 1990 election teach anything, it is simply to re-emphasize the great power usually enjoyed by incumbent office-holders, particularly in Congress.

Yes, there were surprises Tuesday, including some in Utah. But the biggest surprise in this state involved the only congressional race in which no incumbents were on the ballot. In that race, the upset victory of Democratic newcomer Bill Orton over veteran state legislator Karl Snow reflects not so much a shift to the left in public sentiment as a deep division among conservatives in the 3rd District. Until that rift is healed, Utahns can forget the old notion that victory in the Republican primary in that district is tantamount to victory in the general election.

The other surprises in Utah involved races for Salt Lake County offices where incumbency does not carry nearly as much clout as it does in congressional offices. Even so, long-thwarted Democrats have a right to take encouragement from the victories of James Bradley and Randy Horiuchi, whose triumphs ended 10 years of GOP control of the County Commission and marked the first time in a decade that any incumbent Salt Lake County commissioner has failed in a re-election bid.

At the same time, though, Republican challenger Aaron Kennard ousted Salt Lake County Sheriff Pete Hayward, who had held the office 12 years. In this and other non-commission races, three of the four Republican incumbents won re-election.

In the Utah Legislature, Democrats gained four new seats in the House of Representatives and three in the Senate. But these gains were not nearly enough to crack GOP domination of both chambers.

The strength of incumbents was even more apparent in Congress, where more than 95 per cent of the current office-holders won re-election despite plenty of anti-Washington sentiment around the country.

In Congress, gains by Democrats were well below the average mid-term losses for the party occupying the White House. Even so, the upshot is still at least two more years of divided government. What's more, those Democratic gains can be expected to make it somewhat harder for President Bush to exercise a veto and make it stick. Consequently, it could also become harder for the White House to negotiate legislative compromises with Congress.

Another possible lesson of Tuesday's election is that voters are more displeased with institutions than they are with individual public servants. When it comes to the budget, taxes and the sour economy, certainly there's plenty of blame to be shared by both Congress and the White House.

Sadly, another lesson of the election is that Utah likely can expect more negative campaigns — campaigns that put less emphasis on the issues than on what supposedly is wrong with one's opponent. Though the 1990 campaign was far from the dirtiest Utah has seen, there certainly was no shortage of over-heated accusations and cheap shots. Too many office-seekers and their supporters have not learned how to disagree without being disagreeable.

Until the mud-slingers are punished more severely at the ballot box than they have been so far, negative campaigning can be expected to continue. But it's hard for the voters to deter such tactics when various candidates in both major political parties resort to them.

Apart from the surprises already mentioned, the winners in Utah on Tuesday were just about along the lines of advance expectations, with incumbent Congressmen Jim Hansen and Wayne Owens triumphing in the 1st and 2nd Districts.

Though Geneviere Atwood missed in her attempt to become the first Utah woman in Congress since Reva Beck Bosone served there from 1948 to 1952, it's hard to think of Atwood as a loser. The same could be said of Kenley Brunsdale. It takes real grit to run against such seasoned campaigners and proven vote-getters as those faced by Brunsdale and Atwood.

Another aspect of the Utah election merits special attention — the defeat of the initiative to eliminate the sales tax on food. Its rejection in the face of public displeasure with higher federal taxes should send a couple of pointed messages. One of them is that good intentions are still no substitute for good judgment. Another is that the public is tired of being dragged to the polls by proponents of grandiose tax schemes. Utah rejected another food-tax cut in 1980 and a sweeping tax limitation plan two years ago. Enough is enough.

Meanwhile, what a relief that an often needlessly nasty battle for votes is finally over. Now that the American people have spoken, the challenge is to start healing the wounds inflicted during the 1990 campaign.

9704383030307

Youthful George Stephanopoulos Poised to Leap From Clinton Bandwagon to White House Perch

By Jeffrey H. Birnbaum
Staff Reporter of The Wall Street Journal

LITTLE ROCK, Ark. – Two days after election, Bill Clinton faced his first major crisis – a bitter internal struggle over whether to use his longtime friend Mickey Kantor to head his transition team. During the particularly tense moments [redacted] president-elect [redacted] wanted [redacted] to resign.



George Stephanopoulos

Soon thereafter [redacted] did talk to George Stephanopoulos, the campaign's communications director and one of Mr. Kantor's rise. It isn't certain whether his opposition – he questioned Mr. Kantor's organizational skills and lobbying connections – was decisive, and, in fact, Mr. Stephanopoulos says Mr. Clinton never asked for advice directly. Still Mr. Kantor didn't get the job.

It is clear, however, that the phrase, "I want to talk to George," has a chance to become the contemporary counterpart to "clear it with Sidney" – Franklin Roosevelt's famous instructions to aides when he was considering whom to select as a running mate in 1944. Sidney was Sidney Hillman, the powerful founder of the Amalgamated Clothing Workers Union.

Such an accolade would be an honor for any person. But this one is only 31 years old, looks even younger and is known to most of his colleagues at Clinton headquarters not as George but as Georgie – a reference both to his youth and the affection they have for him. As a chief spokesman for Mr. Clinton he already is a familiar face to millions of Americans. But he soon also will be a big player in Washington, where he is likely to advise the new president not just on communications but on policy and legislative strategy as well.

He's as good as anybody I know, and certainly better than anyone his age, at finding the nexus between, politics and policy, which is a rare talent," says Richard Moe, former chief of staff to Vice President Walter Mondale. As a result, says Kirk O'Donnell, a former top aide to House Speaker Thomas "Tip" O'Neill, "He will be a tremendous resource to the president."

Mr. Stephanopoulos has won the confidence and respect not just of Mr. Clinton, who telephones him at least twice a day, but also of the senior officers of his transition team: Chairman Vernon Jordan and Director Warren Christopher. He is expected to get a White House job with wide-ranging responsibilities, including dealing with Congress, where he worked as an aide to Democrats including Majority Leader Richard Gephardt (D., Mo.).

To such a role Mr. Stephanopoulos would bring a set of political beliefs that are far more liberal than the "new Democrat" image carefully cultivated by Mr. Clinton. Mr. Stephanopoulos, who grew up in Cleveland the son and grandson of Greek Orthodox priests, maintains a strong sense of public service and a belief that an activist government can correct many social ills.

'Part of the Liberal Thinking'

While Mr. Clinton supported the resolution to go to combat in the Persian Gulf War, Mr. Stephanopoulos as a congressional aide was working actively against it. "George was very much part of the liberal thinking of the party on those issues," says Rep. Edward Feighan (D., Ohio), for whom Mr. Stephanopoulos once worked as a foreign policy aide.

Mr. Stephanopoulos is genuinely suspicious of corporate lobbying, a position born partly out of the research he did for the presidential campaign of Michael Dukakis in 1988 about Republican lobbying by the firm of Black, Manafort & Stone. His views were an important influence on Mr. Clinton, who has taken an especially hard line against lobbyists this year.

But Mr. Stephanopoulos has a reputation as someone who likes to get things done without being encumbered by ideology. "My job is to serve my boss, give him the best advice I can and to be an honest broker," he says. And both Democrats and Republicans agree that he does that job well. "He always dealt with us straight up and we look forward to him doing so again," says William Pitts, top aide to House Minority Leader Robert Michel (R., Ill.).

In the Clinton campaign, Mr. Stephanopoulos was first among equals in its cadre of bright, 30-something staffers. But it was he who sat in the War Room next to James Carville, the campaign's chief strategist, and doled out assignments during each day's two staff meetings.

Mr. Stephanopoulos came to Mr. Clinton's campaign with considerable experience in presidential politics. In 1988 he had charge of Mr. Dukakis's rapid-response effort to counter attacks by the Republicans. Mr. Dukakis mostly ignored his advice, and was pummeled mercilessly. The frustration of that experience was a major reason the Democratic campaign this time was so quick and so firm in replying to every GOP assault.

Mr. Know-It-All

Mr. Stephanopoulos's next job in politics, as a top aide to Majority Leader Gephardt, broadened his skills considerably. He became the leader's Mr. Know-It-All, hovering by him wherever he went and answering questions ranging from the output of coins at the U.S. Mint to the cost of individual items in massive spending bills. He also was Mr. Fix-It, acting as Mr. Gephardt's emissary when extra maneuvering was needed to get through the thicket of policies and personalities that often threatened to bring the House to a halt.

On Capitol Hill, Mr. Stephanopoulos was known for his ability to handle complex subjects with ease and self-assurance and for his unstinting dedication to work. Some even called the diminutive Mr. Stephanopoulos (he is 5 feet, 7 inches tall) "The Twin," saying he did the labor of two people.

As the presidential election loomed again, and Mr. Gephardt decided not to run, Mr. Stephanopoulos became "the top pick in the free-agent presidential draft," according to Mr. O'Donnell. He was wooed by the campaigns of Sen. Bob Kerrey of Nebraska and Mr. Clinton, who, like Mr. Stephanopoulos, was a Rhodes Scholar. When he joined Mr. Clinton as one of his first staffers, Washington insiders began to think of Mr. Clinton as a serious contender.

Mr. Stephanopoulos packed up his Italian-cut suits and cuff-linked shirts and moved to Little Rock, where the campaign headquarters [redacted]. He traveled [redacted] and became almost [redacted] the Democratic National Convention, [redacted] elevated to communications director and is credited with pushing through two of the most successful features of the campaign: the completion of Mr. Clinton's economic plan and his forays into pop culture, such as the Arsenio Hall show and his town hall meeting on MTV.

But Mr. Stephanopoulos's youth did have its limits. Being too young to remember the Vietnam War experience, he didn't recognize how serious a mistake it was for Mr. Clinton not to have disclosed early that he had received a draft notice. He also tended to turn [redacted] gloomy during times of adversity. "It's over," he moaned on many occasions, including on Feb. 1, his birthday, when he was handed Mr. Clinton's now-famous draft letter to Col. Eugene Holmes.

Occasionally Mr. Stephanopoulos even had to withdraw from the fray. He and Mr. Carville spent part of an afternoon hiding from the brutality of the New York primaries by watching a Julia Child cooking show on television.

But does he have the toughness to compete in the upper reaches of Washington power politics? Few of the gym partners who have witnessed his nightly regimen would doubt it. For 45 sweat-drenched minutes he uses the Stairmaster exercise machine, set at its highest level of intensity.

Miscalculations Made During Period Of Transition Can Do Lasting Damage

By James M. Perry
Staff Reporter of The Wall Street Journal

WASHINGTON – President-elect Clinton vows to hit the ground running, the truest cliche in the language of presidential transition, and one of his first goals is the White House staff 25%.

He's [redacted] President-elect Carter cut the White House staff 13%. President-elect Reagan said he would [redacted] everybody's salaries, cut back travel by federal employees 15% and restrict the amount of furniture they could buy for their offices.

The fact is, every new president seizes [redacted] during the [redacted] in

epitaph: "All in all, I'd rather be in Philadelphia."

And so he became the gallant old Gipper, an endearing and courageous figure. It served him well during the early years of his presidency.

Difficult Transition

No transition was more difficult than Gerald Ford's. President Nixon, facing impeachment proceedings in the Watergate scandal and criminal indictments by the special prosecutor, announced he was resigning his office Aug. 8, 1974. The next day, in the East Room of the White House, Mr. Ford, Mr. Nixon's vice president, took the oath of office. [redacted]

Charitable Gift Annuities

In today's economic environment you may want to consider the advantages of charitable gift annuities with THE SALVATION ARMY.

• Guaranteed Income for Life • Partially Tax-Free Income
• Current Charitable Income Tax Deductions

AGE	Income Rate	AGE	Income Rate	AGE	Income Rate
65	7.3%	74	8.3%	83	10.1%
66	7.4%	75	8.5%	84	10.6%
67	7.5%	76	8.7%	85	10.9%
68	7.6%	77	8.9%	86	11.1%
69	7.7%	78	9.1%	87	11.4%
70	7.8%	79	9.4%	88	11.6%
71	7.9%	80	9.6%	89	11.8%
72	8.0%	81	9.9%	90 & over	12.0%
73	8.2%	82	10.1%		

Send this coupon today for more information.
The Salvation Army, Western Territorial Headquarters
30840 Hawthorne Blvd., Rancho Palos Verdes, CA 90274
Fax (310) 541-4299

Name _____
Address _____
City, State, Zip _____
Date(s) of Birth _____ Phone (___) _____

THE SALVATION ARMY

Sharing is Caring.

Central Salt Lake C...

Cites Own Record in Campaign Volley

Harmer Challenges Snow to Reveal Finances

By John Keahey
Tribune Staff Writer

Third District Congressional candidate John Harmer believes the best defense is a good offense.



Mr. Harmer

The conservative Republican outlined his financial history Monday and served notice to primary-election opponent Karl Snow he expects the same.

"I have delivered a letter to Karl Snow regarding materials . . . about his past financial dealings and business associations," Mr. Harmer told reporters. "We have given Snow until a week from today to respond to these concerns."

Mr. Harmer's finance manager, Rick Haskell, told *The Tribune* last week the Harmer camp had received anonymous tips about Mr. Snow's financial history and turned those tips over to a private investigator.

He said campaign officials decided not to make public the charges "substantiated" by the investigator, but instead would ask Mr. Snow to make them public. Mr. Harmer Monday changed that position by setting the one-week deadline.

A written statement issued Friday by Snow headquarter said such a packet, when received, would be turned over to four Provo attorneys who announced last week they would conduct an independent investigation of Mr. Harmer's finances.

" . . . I cannot afford the time to concern myself with unsubstantiated charges from Mr. Harmer or his campaign," Mr. Snow said in the statement. He said he already has reported his financial background to Utah GOP Chairman Richard Snelgrove who, Mr. Snow said, reported nothing unusual or surprising.

Mr. Harmer also claimed that last week's resignation by Snow Campaign Director Chuck Warren over disclosures about past legal problems was "to divert attention from the mistaken tactics of their campaign . . . I am confident that Warren had no intention of either resigning from the Snow campaign or filing a lawsuit."

Mr. Warren confirmed Monday that while he resigned last week from his paid position as a Snow strategist, he is back as an unpaid volunteer working to help his candidate build a grass-roots political organization. He said Mr. Snow asked him to stay with the campaign.

Concerning the lawsuit, he said last week he would sue Harmer Campaign Manager Mickey Cochran for slander in making what Mr. Warren said were false charges about an alleged check-writing case he was involved in four years ago.

"I'm still looking into [filing the suit]," Mr. Warren said. "I'm setting up a meeting to talk with my attorneys next week."

During Monday's news conference, Mr. Harmer read from a lengthy statement and addressed, point by point, specific financial problems dating back to 1976. A list of those problems was released by Salt Lake County GOP Chairman Peter Van Alstyne last week who called for Mr. Harmer to pay off his debts and outstanding taxes.

Out of the 12 items Mr. Van Alstyne listed, Mr. Harmer said all but one has been paid in full, including obligations that have been paid in the last two weeks. The remaining unpaid, uncontested obligation is a $17,931.29 tax liability owed to the Utah State Tax Commission.

That will be paid, Mr. Harmer said, when he completes negotiations to sell his interests in Eyring Inc., of Provo, and Eyring Hydrocarbons of Salt Lake City. He said he expects the sale to go through soon.

In a short time, he said, "I'll be sitting on a good bundle of cash" and will use the money to pay off all outstanding obligations, including the Utah tax liability.

In addition, Mr. Harmer is involved in a dispute with the IRS over taxes owed by another company Mr. Harmer is involved with. He said negotiations are continuing with that agency.

"We have spent all of our time hassling over financial situations," he said of the campaign, "and not enough time on the issues.

"At no time and under no conditions have I defrauded or cheated anyone." He said he wished the people he had made rich over the years were as vocal as his detractors.

"I've made mistakes" regarding some financial decisions in the past, he told reporters. "But I can admit them and move on."

UTAH C[illegible]

Orton didn't pay sales tax, records show

Mercedes Benz: Candidate [illegible] $3,577 in fines due to lien on [illegible] property but is appealing case.

By Bob Bernick Jr.
Deseret News political editor



Congressional candidate Bill Orton bought a Mercedes Benz automobile in the early 1980s in Oregon, brought the car to Utah but failed to pay state sales tax on the car, Utah State Tax Commission documents show.

Orton, Democratic candidate in the 3rd District and a tax attorney by profession, was fined the amount of the sales tax, $1,200, and then was [illegible]ed $1,320 in a "fraud penalty." Orton appealed [illegible]t didn't pay the fine. Finally, the Tax Commission placed a lien on some of Orton's property to get the money. Orton paid the $3,577 in fines, penalties and interest earlier this year and continues to appeal the case.

The lien and $3,577 payment have been reported before in the media, but the reason for the liens and fine wasn't revealed. This is the first time commission documents detailing the complaint have been reported. Orton contends the documents are confidential; the Tax Commission disagrees.

"This is just another attempt by the Snow campaign to muddy me up," Orton said. "I haven't spoken about Snow's problems, not a word. He wants to make me look as bad as he." Orton refers to his GOP opponent in the race, Karl Snow. Snow has been criticized by a number of people over his dealings with convicted penny stock manipulator Michael Strand.

Snow has been cleared in two investigations of any legal wrongdoing, and Snow has requested another investigation by the Republican Party. State Party Chairman Richard Snelgrove last week said that he probably would call such a panel. But Monday he declined, saying Snow is clean, clean, clean, and another panel would show just what the other two have. (See accompanying story).

While licensed to practice law in Utah, Orton makes most of his livelihood — about $250,000 last year, according to filings with the U.S. House — lecturing and conducting seminars on tax law. As such he travels extensively. In his written defense before the state Tax Commission on the sales-tax issue, he said that in 1984 he had residences in Oregon, Hawaii; Atlanta; Washington, D.C. and Provo.

He purchased a 1981 Mercedes Benz in Oregon and intended to use the car there. He had a Jeep and Corvette, both registered in Utah, for use here. However, sometime before 1984 he drove the Mercedes to Utah. Some Tax Commission employees saw the car driving around Salt Lake City with Oregon personalized plates that read "TAX-LAW."

"We ask our employees to watch out for such things," said Janice Perry, commission spokeswoman. Orton has law offices at Exchange Place in downtown Salt Lake City. The car was photographed by commission investigators in 1984 sitting in an Exchange Place parking stall. Orton was ordered to appear before the commission on April 20, 1987. The commission wanted Orton to pay the sales tax on the car.

Oregon has no sales tax. Utah's sales tax is about 6 percent. The title on the car listed Orton's Provo address. After being notified by the Tax Commission of the complaint, Orton registered the car in Utah.

In his defense, Orton told commissioners that he did drive the car to Utah in 1984 but that seeing the car around town shouldn't be used to require sales tax payments two years after he leased, then purchased, the car in Oregon. A hearing officer ruled against Orton. He appealed. The commission, in a hearing in which Orton didn't appear, also ruled against him and assessed the fine and penalty. Orton continued his appeal.

"There is a legitimate appeal in progress," Orton said. "Many people have appeals with the commission. None of this should be made public during the appeal process."

Republican John Harmer, whom Snow beat in the Republican primary Sept. 11, also has appeals over taxes. Harmer also didn't approve of his tax problems being made public. The IRS said Harmer owed more than $300,000 in back taxes.

Orton's appeal doesn't concern back income taxes, just a sales tax on a car. However, until the latest documents were obtained by the Deseret News, the nature of Orton's contention with the commission wasn't clear.

SNOW

Continued from B1

"It is time for political fairness. I ask Bill Orton to come out of the closet, 'fess up and admit he knows that his only chance of winning is to paint Karl Snow as someone he is

Utah ethics group demands [illegible] 'damaging' words

PROVO — The spokesman for Utahns for Ethical Government

White House, Hatch Trade Barbs Over Drug War

By Tony Semerad
THE SALT LAKE TRIBUNE

The White House says Sen. Orrin Hatch is off the mark by accusing President Clinton of ignoring the war on drugs.

Mr. Hatch publicly attacked the Clinton administration this week for not detailing a strategy to combat illegal narcotics.

Meanwhile, Utah's senior senator said the Democratic president is cutting money for federal prosecutors and prisons, pulling back on drug interdiction and wants to do away with the Drug Enforcement Agency.

"This administration is turning the clock back on drug control, slipping inexorably into the old permissiveness of the Carter era," the three-term Republican said in a speech to the Senate. "Nearly eight months into his term ... the president has failed to demonstrate a true commitment to combating the drug problem."

But the White House said Mr. Hatch's concerns reflected a narrow view that law enforcement is the main way to fight drugs.

A spokesman for Lee F. Brown, director of the White House Office of National Drug Control Policy, said the administration intends to shift drug policies away from emphasizing cops and toward reducing the demand for illegal substances.

"We're looking for a more balanced approach," spokesman Jim Miller told *The Salt Lake Tribune*. "There has to be linkage between drug policy and the country's larger social agenda on youth, preserving families, health-care reform."

Mr. Brown outlined an "interim strategy" to members of Mr. Clinton's cabinet on Thursday and will make it public next week, Mr. Miller said.

The plan, he said, will focus on curbing drug-related violence; better cooperation between federal and local police agencies; organizing communities and neighborhoods to fight drugs and using foreign aid as a tool in combating drug production abroad.

In what Mr. Hatch said was a "gentle prod" for Mr. Clinton, he cited a recent University of Michigan study showing that use of marijuana and LSD was rising among young people. He said it "demonstrates the risk we face if the administration continues to ignore the drug problem."

In Utah, drug-related arrests went from 4,916 in 1983 to 6,673 last year, according to the state Department of Public Safety. About one in every five suspects arrested for drugs in 1992 was a juvenile.

Mr. Clinton appointed Mr. Brown, ex-police commissioner in New York City, to head the Office of National Drug Control Policy in June. The president also made the job — known as "drug czar" — a Cabinet-level post.

Mr. Miller said the move has made drug control "a cornerstone of domestic policy." But Mr. Hatch called it "a paper promotion," noting that it came with a 121-position cut to Mr. Brown's staff.

The Clinton administration also reportedly has agreed to a $231 million cut in drug treatment and education funds, the senator noted.

Mr. Hatch said the proposal to merge the DEA with the Federal Bureau of Investigation "could seriously disrupt our nation's drug control efforts." The DEA-FBI merger is one of Vice President Al Gore's recent recommendations for reinventing the federal government.

Mr. Miller countered that the senator may be playing turf politics. Mr. Hatch, as a leading member of the Senate Judiciary Committee, supervises the DEA.

"We're all taking cuts in staff and budgets," said Mr. Miller. "On the one hand, everyone is saying, 'We got to cut.' But then we're saying, 'Don't cut me.' "

9704383031-1

No 'Bobbsey Twin' Link, Orton Says in Debate

Continued From B-1

commented the two men were called the Bobbsey twins in school.

That ended the public debate, but Mr. Orton told gathered news reporters that he didn't go to school with Mr. Norton, they aren't close friends, and he had never heard such a characterization. His first acquaintance with Mr. Norton was six years ago when Mr. Norton, with a girlfriend, attended a ward chapel where Mr. Orton was among the leadership.

Meanwhile, Democratic State Chairman Peter W. Billings announced "head-to-head" results of a poll with 411 respondents taken over three days last week by a Denver firm. It showed Mr. Snow leading 39 to 29 percent, with 32 percent undecided. The two registered equally in Utah County, the GOP heart of the district, Mr. Billings maintained.

Another poll was taken in which the candidates weren't identified, said Mr. Billings. Respondents were asked who they would prefer between a young tax attorney who has never held public office, and an older, former state legislator who has been subject to questions about stock dealings. The result was reversed: Mr. Orton, 49 percent; Mr. Snow, 31 percent. The remainder were undecided.

"The point is, neither candidate is known well, but if Mr. Orton can get his message out, he can win," Mr. Billings said. Republican officials immediately labeled the polling based on blind, subjective candidate descriptions as meaningless.

"There cannot be any validity in a poll that pushes the voter in a certain direction with the likes of such questions," said Greg Hopkins, Republican Party executive director.

There was no immediate response from Republican State Chairman Richard Snelgrove on whether the Snow-requested judicial panel can be organized prior to the election — 12 days away. Mr. Snow has already had panels of attorneys and accountants report that they haven't found any impropriety in his investments or finances.

But still the electorate is subjected to "scurrilous and fallacious" attacks on his character by discredited individuals, some of them lawbreakers, Mr. Snow said.

Orton Denies 'Bobbsey Twin' Link as Snow Steps Up Attack

By Douglas L. Parker
Tribune Political Editor

Republican congressional candidate Karl Snow hung a "Bobbsey twin" moniker on his angry Democratic foe Bill Orton during a University of Utah debate Thursday.

Mr. Orton viewed the appellation as nonsense, and called it "a failed attempt at humor" in a 3rd District campaign that simmered on other fronts as well.

• The Democratic Party chairman announced results of a public opinion poll commissioned by the party, which, he interpreted, shows Mr. Orton having a crack at winning in the nation's most Republican district.

• The Snow campaign organization announced that the state's senior U.S. senator, Jake Garn, will come to bat for Mr. Snow at a Provo Holiday Inn fund-raising dinner Friday at 6:30 p.m., hosted by the retiring Congressman Howard Nielson.

• The Republican Party chairman was asked, separately, to initiate a third inquiry — an impartial judicial panel — to evaluate Mr. Snow's five-year-old participation in a penny-stock venture. Mr. Snow requested the action in a letter, with hopes of laying to rest "daily distortions and distractions" by others challenging his integrity.

The subject prompted the personal exchange between contenders at a Hinckley Institute of Politics appearance. Earlier this week a Utah County businessman, Scott Norton, led an effort to distribute anti-Snow flyers with the backing of some disgruntled business investors.

Mr. Orton, in concluding debate remarks, described Mr. Snow as accusing him of breaking federal election laws by stating that the Democrat could be behind the so-called independent attack. "That's absurd and untrue," Mr. Orton said.

The Democrat said he wouldn't bring up in the debate any questions over the stock-investment incident, and he would appreciate Mr. Snow refraining from any innuendo that he's connected to Mr. Norton's actions. "This comes from your side, Mr. Orton said.

Mr. Snow countered that he onl pointed out the relationship betwee Mr. Orton and Mr. Norton, the latte described as a former member of th same LDS ward as Mr. Orton, and close personal friend of the Demo crat. Mr. Snow said he suggeste there only could be law violation the attack were a concerted one.

The Republican then reiterate the words, "Orton and Norton," an

See B-2, Column

9 7 0 4 3 8 3 0 3 1 2

Air Quality says today is a
atch Front. Use of coal- and
r fireplaces is permitted.
7239 or 800-228-5434.

The Salt Lake Tribune
LOCAL
FRIDAY, December 24, 1993

Democrat Fills Utah Latino Post

Governor Hopes Picking Assistant to Orton Ends State Controversy

By Laurie Sullivan
THE SALT LAKE TRIBUNE

Lee Martinez was offered the job of state director of Hispanic Affairs and then checked himself into the hospital. In bed at FHP with an infection two days later, he accepted the appointment.

He may have to remain hospitalized through the holiday, but he received a good Christmas present from Gov. Mike Leavitt.

"I was surprised," said Mr. Martinez, who was called to the governor's office Monday. "I went in for what I thought was going to be an interview and was told I was being offered the position. I'm happy, excited and anxious — anxious for the challenge ahead."

The selection of Mr. Martinez ends a winter of discontent for the governor and leaders of Utah's Latino community. It also adds some bipartisan flavor to the Republican Leavitt administration.

Mr. Martinez, 40, is a Democrat serving as special assistant to Rep. Bill Orton, D-Utah. Like President Clinton's recently announced choice for defense secretary, Mr. Martinez didn't vote for his new boss.

But he said the governor looked beyond party affiliations and "I applaud him for that. It was not an easy decision. I know he's going to catch some heat for it."

Leavitt Chief of Staff Charlie Johnson said partisan politics did not come into play: "After meeting with the Hispanic Advisory Council, meeting with the community, hearing their concerns and getting a better understanding of the relationship of the community with the governor's office and evaluating all the candidates, Lee Martinez came out to be his choice as the man to fulfill that role."

That wasn't the case the first time around. Friction flared between Mr. Leavitt and the Hispanic Advisory Council when the job was offered to Image de Utah President Art Martinez over the council's recommendations — Lee Martinez and two others.

■ See D-2, Column 4

9704383031 4

Demos Assign Orton To Banking, Finance Committee

Tribune Washington Bureau

WASHINGTON — Rep. Bill Orton, D-Utah, was appointed Friday to the House Banking, Finance and Urban Affairs Committee. The freshman lawmaker said he was "delighted" with the appointment, and said he would bring "fiscally conservative values" in dealing with the problems of the banking and savings and loan industries.

Rep. Orton will get another committee assignment, but a key Democratic panel has not yet made a decision on which one.

The Steering and Policy Committee, which assigns House Democrats to committees, did not give Rep. Wayne Owens, D-Utah, the seat he wanted on the Energy and Commerce Committee. But Rep. Owens will get to serve on the Intelligence Committee in the new Congress. He already sits on the Interior Committee and the Foreign Affairs Committee.

Rep. James Hansen, R-Utah, is not making any committee switches in the 102nd Congress, which convened Thursday. Rep. Hansen sits on the Armed Services Committee, the Interior Committee and the ethics committee — formally called the Committee on Standards of Official Conduct.

Article

9704383031 5

UTAH
EDITION

URDAY, JANUARY 15, 1994



Senators Cup

Rep. Bill Orton has the best seat in the House this weekend — in Park City. Orton is the only member of the House invited to participate in the fund-raiser Senators Cup because Park City is in his district. A8

Moderate Republicans Launch Movement to Bring Party Back to the Mainstream

12/16/92

By Jill Lawrence
THE ASSOCIATED PRESS

WASHINGTON — Republican moderates said Tuesday they are forming a national group to move their party "back to its mainstream" and end its focus on divisive issues such as abortion and homosexuality.

"Our purpose is to exclude issues of moral and conscience as litmus tests of being a Republican," said outgoing Rep. Tom Campbell, R-Calif., director of the new Republican Majority Coalition. "We are inclusive. We are not exclusive."

Campbell himself did not seek re-election to his House seat to run for the Senate. He was defeated in the primary by a more conservative Republican, who in turn lost in November to Democrat Barbara Boxer.

Founders of the new political-action committee (PAC), including four senators, told a news conference they will work to highlight economics, foreign policy and the role of government — winning GOP issues in past elections.

The direction of the party has been unclear since President Bush's defeat, with different wings arguing over how the election was lost.

The right wing and evangelicals maintain the socially conservative GOP platform and convention were strong points of Bush's campaign.

But social moderates and fiscal conservatives say that focus drove away women, suburbanites and others who ordinarily would have voted Republican.

Leading GOP moderates were on hand to announce the new PAC, including retiring New Hampshire Sen. Warren Rudman and Sens. Nancy Kassebaum of Kansas, John Chafee of Rhode Island and Arlen Specter of Pennsylvania.

Their new coalition is modeled on the Democratic Leadership Council (DLC), the centrist group that served as a launching pad for President-elect Clinton's successful campaign and provided one of its main themes — that Democrats needed to abandon liberal orthodoxies.

"They didn't divide, they expanded" the party by capturing moderates without losing liberals, said GOP strategist Roger Stone. "That's what we want to do — move our party back to its mainstream."

Like the DLC, the Republican Majority Coalition will start as a political-action committee and seek grass-roots support. Some money may be spent on selected 1994 primary races, Campbell said, and a national list of supporters will be offered to a sympathetic presidential candidate in 1996.

He said the group will have state chapters, just like the DLC, and may add an idea-generating think tank comparable to the Progressive Policy Institute associated with the DLC.

Another target may be the party's official opposition to gay rights, also in the platform.

"The entire Republican convention sent a tone of exclusion on the basis of sexual orientation. It's a very important issue to many Americans, but ought we make it a litmus test for being a Republican?" Campbell asked.

9704383031 6

The Salt Lake Tribune State/Local Friday Morning—Augu
Section B

GOP Tells Candidate to Pay Off Debts



John Harmer
3rd District Contender

By John Keahey
Tribune Staff Writer

Salt Lake County's GOP chairman is calling for fellow Republican John Harmer to pay off personal debts and settle all default judgments against him before continuing his campaign for Utah's 3rd Congressional District seat.

Peter Van Alstyne confirmed late Thursday afternoon he scheduled a 10 a.m. Friday news conference at GOP headquarters in Salt Lake City to ask Mr. Harmer to satisfactorily "clarify and resolve [his financial] matters."

Party officials later Thursday evening cancelled the news conference, saying a statement would be issued Friday.

"If he doesn't [resolve the issue], then we'll address that down the road," Mr. Van Alstyne said, adding he won't rule out asking Mr. Harmer to drop out of the race.

Mr. Harmer faces 12-year state senator and fellow Republican Karl Snow in the Sept. 11 primary for the 3rd District seat now held by Rep. Howard Nielsen. The district includes southwest Salt Lake County, Utah County and eastern Utah.

Greg Hopkins, executive director of the Utah Republican Party, said the state organization has not taken a position on the issue, choosing not to get in the middle of a primary race.

"I've got a knot in my stomach as big as a grapefruit," Mr. Val Alstyne said. "We're committed to [holding the news conference]. I just wish we didn't have to."

He said Mr. Harmer's financial record "is not a record that is appropriate for a candidate for the Republican Party who is seeking a seat in Congress. This is a very unique and tragic case," Mr. Van Alstyne said.

The Salt Lake County GOP wants "to minimize whatever damage can come out of this while we can," he said.

"The bottom line is: I've watched very carefully [Mr. Harmer's] explanations about a long list of unpaid taxes, court judgments and various debts . . . He must do much more to bring these issues to a close so we can move on with public-issue debates."

Mr. Harmer's campaign manager Mickey Cochran told *The Tribune* late Thursday he believes the "innuendo" surrounding Mr. Harmer's finances is coming out of Mr. Snow's camp.

"If Karl Snow wants to play hardball, then his minor league A team has come up against the big leagues," Mr. Cochran said. "We have information we're presently substantiating about Karl Snow's financial past. If he wants to play hardball, then Lord help him."

Another Harmer campaign official, Glen Willardson, also objected that Mr. Van Alstyne made no attempt to contact the candidate prior to holding the news conference.

"I can't sit with Mr. Harmer face-to-face," Mr. Van Alstyne said, "because it involves issues of public record and of serious concern that he's just brushing aside. He seems to be attempting to distract everyone's attention. A private visit will do nothing for the Republican Party and the voters."

Mr. Van Alstyne verified that documents given to *The Tribune* Thursday afternoon by a Snow campaign official list 12 default judgments or tax delinquencies naming Mr. Harmer. He said that information will be distributed at Friday's news conference.

The listing includes, among others, a 1979 suit by Roseville, Calif., for failure to pay back taxes in 1979, a 1986 order of sale of Mr. Harmer's Bountiful home for failure to make payments and a delinquent tax warrant issued by the Utah State Tax Commission for both 1986 and 1987.

The documents didn't indicate which suits, default judgments or other actions have been resolved by Mr. Harmer and which are outstanding, if any.

"Mr. Harmer has a lot of support; he's very articulate; he's very intelligent," Mr. Van Alstyne said. "But any political party has a duty to make sure its candidates are forthright, honest, that they pay their debts and most importantly above all else, that they pay their taxes."

9704383017

Orton didn't pay sales tax, records show

Mercedes Benz Candidate paid $3,577 in fines due to lien on his property but is appealing case.

By Bob Bernick Jr.
Deseret News political editor



Congressional candidate Bill Orton bought a Mercedes Benz automobile in the early 1980s in Oregon, brought the car to Utah but failed to pay state sales tax on the car, Utah State Tax Commission documents show.

Orton, Democratic candidate in the 3rd District and a tax attorney by profession, was fined the amount of the sales tax, $1,250, and then was fined $1,320 in a "fraud penalty." Orton appealed but didn't pay the fine. Finally, the Tax Commission placed a lien on some of Orton's property to get the money. Orton paid the $3,577 in fines, penalties and interest earlier this year as he continues to appeal the case.

The lien and $3,577 payment have been reported before in the media, but the reason for the liens and fine wasn't revealed. This is the first time commission documents detailing the complaint have been reported. Orton contends the documents are confidential, the Tax Commission disagrees.

"This is just another a tempt by the Snow cam- paign to muddy me up," Orton said. "I haven't spoken about Snow's problems, not a word. He wants to make me look as bad as he." Orton refers to his GOP opponent in the race, Karl Snow. Snow has been criticized by a number of people over his dealings with convicted penny stock manipulator Michael Strand.

Snow has been cleared in two investigations of any legal wrongdoing, and Snow has requested another investigation by the Republican Party. State Party Chairman Richard Snelgrove last week said that he probably would call such a panel. But Monday he declined, saying Snow is clean, clean, clean, and another panel would show just what the other two have. (See accompanying story)

While licensed to practice law in Utah, Orton makes most of his livelihood — about $250,000 last year, according to filings with the U.S. — lecturing and conducting seminars on tax. As such he travels extensively. In his written defense before the state Tax Commission on the sales-tax issue, he said that in 1984 he had residences in Oregon; Hawaii; Atlanta; Washington, D.C. and Provo.

He purchased a 1981 Mercedes Benz in Oregon and intended to use the car there. He had a Jeep and Corvette, both registered in Utah, for use here. However, sometime before 1984 he drove the Mercedes to Utah. Some Tax Commission employees saw the car driving around Salt Lake City with Oregon personalized plates that read "TAX LAW."

"We [illegible] employees to watch out for such thing[illegible]" Janice Perry, commission spokeswoman, [illegible]

Orton has law offices at [illegible] in downtown Salt Lake City. The car was [illegible] graphed by commission investigators [illegible] trying to exchange [illegible] ordered to appear before [illegible] 20, 1987. [illegible] sales tax on the car.

Oregon has no sales tax. Utah's sales tax is [illegible] about 6 percent. The [illegible] United States Provo address. After being ordered by the Commission [illegible] the car in Utah.

In his defense, Orton [illegible] did drive the car to Utah [illegible] the amount owed Utah should be [illegible]

[illegible] rule [illegible] Orton. He appealed [illegible] since it became [illegible] also [illegible] penalty. Orton continued [illegible]

"There is a [illegible] said. "Many people have appealed [illegible] Board of Review [illegible] during the appeals process."

Republican [illegible] Harmer, whom Snow [illegible] the Republican [illegible] on Sept. 11, has also [illegible] over taxes. [illegible] also didn't appear [illegible] problems being made [illegible] The [illegible] owed more than $300. [illegible] back to [illegible]

Orton's appeal doesn't seem [illegible] to owe taxes, just to [illegible] tax on it. However, until the latest documents were obtained by the Deseret News, [illegible] of Orton's contention [illegible] the commission [illegible] wasn't clean.

SNOW

Continued from B1

"It's time for political fairness. I ask Bill Orton to come out of the closet, 'fess up and admit he knows that his only chance of winning is to paint Karl Snow as someone he is not. Mr. Orton, [you should] [illegible]

Utah ethics group demands Snow retract 'damaging' words

PROVO — The [illegible] for Utahns for Ethical Government [illegible] a retraction from 3rd Congressional District candidate [illegible] referring to the organization as a

also recovered a gun and

another man unconscious
ted car theft will not go to

with aggravated assault in
t left 20-year-old Tom Se-

'erick granted the continu-
ting attorney said he had
ints of the incident police
t off a list of evidence to be

Deseret News he ran into
South to call police before
ting to steal a car. Segress
a man threw rocks and a

Segress with a brick, grab
ground and kick his face.
he regained consciousness
d is still receiving therapy

11 or Sept. 25.

ey man suspected of being
tinued to Nov. 1 in order to
urged to the County Attor-

tchings granted the prose-

ree counts of aggravated
ed burglary in connection
over an 18-month period
g a surveillance operation
ding to court documents,
e woman and raping two
ig the arrest.
d was granted an extension
man could undergo mental

ity Jail on $300,000 bail.

ath of mother

g that the man arrested in
man Sunday is the woman's

h, died at 3 p.m. Sunday,
h what police believe was a

he suspect later this week.

n shooting

den woman is being held in
ged with attempted murder
22-caliber revolver Sunday

Seim identified the victim
listed in critical condition
in Ogden.

$5,000 bond and is sched-
ng. Charges were filed in
g.

ter he slapped her 13-year-
head about 9:20 p.m. Four
help and were not present
l.

in penny stock listed in his name

By Bob Bernick Jr.
Deseret News political editor

Third District GOP candidate Karl Snow says he is puzzled and concerned that penny stock listed in his name was traded in 1988, three years after he declined to accept the stock or become a director in the penny stock company.

The company, Global Oil and Gold Co., has been the subject of civil suits, none of which include Snow.

Snow's involvement — or as Snow says, his lack of involvement — in Global Oil is at the heart of attacks made against him by supporters of his Republican 3rd District opponent, John Harmer. Harmer and Snow face each other in next Tuesday's 3rd District GOP primary election.

Harmer, who has been answering a number of questions about his own debts and finances, says Snow has some answering to do, also. Anonymous mailings to Harmer's campaign office led Harmer to reveal Snow's alleged connections to Global Oil and one of its promoters, convicted stock manipulator Michael Strand.

The allegation is that Snow somehow helped Strand manipulate penny stocks, a charge that Snow vehemently denies, as does Strand. Snow met Strand in the early 1980s and, according to Strand, befriended him and his family during troubled financial and personal times.

In 1987, Strand was convicted of mail fraud in connection with Classic Mining Corp., another company in which Snow invested. Snow was only an investor in Classic Mining and, while he still owns some Classic stock, says he lost money on that deal and had nothing to do with the company's management.

The more serious charges involve Global Oil, a company in which Snow was asked to be a director. Documents said to be minutes of Global Oil stockholder meetings show Snow present, being elected a director and vice president. But Snow says he never attended those meetings — Strand agrees with that statement — and never accepted any management position or 100,000 shares of Global that were offered to him.

"I never bought it or accepted it as free," says Snow. He says he never agreed to be a director or vice president of the company. Harmer made those accusations again Wednesday, adding he paid a private investigator who dug up the stock information on Snow. Snow again denied them.

Snow can't explain the stock transfer documents — filed as part of the Global civil suits — that show 100,000 shares of Global stock were indeed issued, through Atlas Stock Transfer company in June 1985, to Karl N. Snow.

In March 1988, three years later, those same 100,000 shares of Karl Snow stock were transferred to M & L Investments, a company that, it is alleged in the lawsuits, was controlled by Strand.

"I don't remember signing over any stock. It puzzles me. I don't remember giving anyone power of attorney over that stock," said Snow. "I know that later, after I'd declined to be involved in Global, that someone told me he had 10,000 shares of stock that was in my name. I don't know how that happened, either. But I've never heard of this 100,000 shares (in his name) at all."

Snow did hold some Global Oil stock listed in his and his mother's names, and some smaller shares in his own name. Those transfers also show up on the Atlas reports.

"I was never a director in Global, never had any dealings with them (except as a minor stock holder). The state (Securities Division) has verified that I was never listed as a director or any company officer. I'm concerned that someone is using my name. I never made any money off of Global. Heavens, I only lost money on those stocks," Snow said.

Financial probe questionable, Harmer says

John Harmer says a "so-called independent" investigation of his finances by a group of 3rd Congressional District attorneys is suspect and questionable.

Harmer, who faces fellow Republican Karl Snow in Tuesday's primary election, said the chairman of the attorney group — Richard Hill — is biased because he's "a lifelong Democratic activist" and his law firm is involved in a case involving Snow.

"Who is paying two or more investigators (who work for Hill) to contact people from my past who I haven't talked to in 10 years?" asked Harmer. "Someone, I don't know who, who wants John Harmer out of this race."

Hill, who said his group will release their investigation into Harmer's and Snow's financial dealings Thursday morning, said he and only he is paying for the work.

"I'm a converted Republican, just as Ronald Reagan was a converted Republican. I was an intern, during school, to (Democratic) Rep Gunn McKay. I did work on Gunn's 1980 campaign briefly, but left the campaign and immediately became a Republican. I was (Republican Provo) Mayor Joe Jenkins' finance chairman in his campaign. You couldn't have found me at a Democratic gathering since 1980."

Hill's former law partner, Harold A. Hintze, did represent Global Oil and Unique Battery in a law suit (see accompanying story). "But I didn't know that until (the Deseret News informed me. I never talked to [illegible] about that case."

Harmer said he would have insisted that Hill remove himself from "the so-called independent panel" if he'd known about his Democratic background or the "severe conflict of interest" of the legal case. Hill says there is no conflict of interest. "I'm disappointed that Mr. Harmer is taking this tack. No one has paid us anything for this investigation, which has taken 300 hours of volunteer time. I pay my law clerks who've done the work. We're doing this because of our real concern over this race."

Marriott, Atwood spar over abortion

Local

DEATH

Bill Orton

Snow seeks document review

By ROBB HICKEN
Herald Staff Writer

Republican congressional candidate Karl Snow is seeking relief from continued accusations about his past brought out before September's primary election.

Snow's announcement comes after The Daily Herald asked Snow about allegations surrounding ownership of certain stocks and an ongoing business association with convicted felon Michael Strand. The questions stem from documents delivered days before the primary election by John Harmer — who faced Snow in the GOP primary. Other questions arose while Herald staff researched various legal documents.

Wednesday, Snow asked the accounting firm of Curtis S. Bramble, and tax attorney Byron Smith to review questionable documents being circulated by detractors.

"I have nothing to hide about my involvement with a limited ownership of stock," Snow said. "I want the air cleared and put to rest any accusations being made against me. I have done nothing morally or legally wrong and I think the findings will bear this out."

Bramble said he was first contacted by BYU's Public Communications Director Paul Richards.

"We are moving as quickly as we can — it's important for Karl to adequately respond to this," said Bramble.

"I don't believe anyone would be served — either the community or Karl — in a delay of the examination of these matters," Bramble said.

The investigation will include the review of all documents presented in the "dirt package", which was delivered in the primary election race to then-candidate John Harmer who turned it over to Snow's staff, Bramble said.

In the package, was information which purported to contain details of several questionable actions in Snow's financial and business past. The package arrived in July.

In August, a second package was anonymously dropped off at the Harmer headquarters. It was delivered to Karl Snow's campaign headquarters.

Snow turned that package over to four attorneys who were conducting an independent audit of Harmer's finances.

Snow turned the information over to the attorneys claiming, "It's

(See SNOW, Page A2)

(Continued from Page A1)

only fair that they review any charges made against me. I have nothing to hide."

Prior to the primary election, the attorneys issued a 2-inch-thick document that reviewed both candidates finances. The report included a 100-page detailed report on Harmer, and a 25-page review on Snow.

The attorneys claimed no improprieties on Snow's part but showed great detail some of Harmer's problems.

A third "anonymous" package arrived only four days (Sept. 7) before the primary election. This package contained additional information which was not included in the attorney's original audit. These are also going to be scrutinized, Bramble said.

Documents from the stock transfer company used by Snow have also been obtained and Snow's personal financial records are being reviewed. Bramble said.

Snow has asked that upon completion of their review the CPA and tax attorneys then make the findings available to the media and the four Provo attorneys who did an independent audit of Harmer and

9704383032 0

3RD DISTRICT

Ex-Orton supporters declare their displeasure

By Brooke Adams
Deseret News staff writer

PROVO — Two years ago Republicans who crossed party lines to send Democrat Bill Orton to Congress said if they didn't like his performance they'd vote him out of office at the end of his term.

Time's up, some of Orton's former supporters said Thursday.

Members of the former group Republicans for Orton held a press conference at the State Capitol to announce their displeasure with Orton. This go-round they'll be voting for Republican Richard Harrington, they said.

Members of another group active in the 1990 election, Utahns for Ethical Government, also participated in the press conference. They said Orton and his administrative assistant, Sheldon Kinsel, were involved in raising allegations about Republican opponent Karl Snow's involvement with a convicted penny stock broker.

In 1990 Utahns for Ethical Government led repeated attacks on Snow for allegedly hiding his involvement in a failed penny stock company. Orton denied involvement with the group.

Daniel Darger, a Salt Lake attorney, told the Deseret News at the time that he leaked information about the stock transactions to John Harmer, who was beat in the primary election by Snow. Darger also said he offered the information to Orton but that Orton refused to use it.

On Tuesday, a group called Citizens Tired of Not Getting Straight Answers tried to get an audience with Orton to have him address "complaints, questions and problems."

Greg Mockett, spokesman for the group, said members don't believe Orton has given straight answers on such issues as why he is a Democrat, why he voted for the striker replacement bill, what his proposals for the economy are and how his values fit in with those of his constituents.

In a letter delivered to Orton's office after hours Monday night, Mockett said the group is "very educated" and wants "substantial answers, not sidesteps or political rhetoric."

"I don't think his answers have been honest," Mockett said.

Mockett served as campaign manager for Republican Steve Densley during Densley's short-lived foray into the 3rd District race. He also sent at least one press release in Harrington's name to local media shortly after Harrington entered the race.

Citizens Tired of Not Getting Straight Answers showed up around noon at Orton's office in downtown Provo and asked to see him. They understood from anonymous calls to Orton's office that the candidate would be there. The group sought an unscheduled audience to prevent Orton from preparing answers, Mockett said.

"If you don't have time to prepare an answer, there is a greater tendency to tell the truth," he said.

Kinsel told the group Orton was at Payson High School speaking to students. A confrontation of sorts apparently developed between Mockett and Kinsel. Mockett said Kinsel accused him of lying and "got in my face."

He said Kinsel grabbed his hand and twisted his wrist, while advising Mockett not to mess with him.

Mockett later filed assault charges against Kinsel.

Kinsel said Mockett wasn't thrown out of the office and that there's nothing to his allegations.

"It was clearly a setup," Kinsel said. "They tried to maintain they chose this time because they were told Bill would be here. They were told exactly the opposite. (They were) trying to create an incident."

9 7 0 4 3 8 3 0 3 2 1

...network ... century later, in a report by corre-

Orton Chooses Former Owens Aides for Key Posts

Freshman Rep. Bill Orton of Provo has completed the structural organization of his state office with chief responsibilities split between former aides of Rep. Wayne Owens of Salt Lake City.

Merelyn Worthy is state director to oversee administrative matters for the 3rd District congressman whose main Utah office has been relocated in the old Utah County Courthouse in downtown Provo. The office was formerly in city's Federal Building.

Sheldon Kinsel is the issues-field director, serving as liaison with various local government officials in the 13-county district and research source and contact person for such Utah-oriented issues as the Central Utah Project and wilderness legislation.

Ms. Worthy, a Brigham Young University graduate, has worked as Washington office manager for 2nd District Rep. Owens, and last year was state fund-raiser for the Salt Laker's re-election campaign.

Mr. Kinsel, a Utah State University graduate, was responsible for issues research in Rep. Orton's 1990 campaign, and worked as a campaign and legislative assistant for Rep. Owens in Washington in 1972-73.

9704383032 2

NS 1990

rton Thinks Voters Deserted Snow ...fter Seeing 'Family' Ad in Paper

newspaper advertisement de- 3rd District Democratic con- onal candidate Bill Orton as no family and a lack of per- values "backfired against the ublicans," said Mr. Orton, the fficial winner of the race.

People called saying they could vote Republican after seeing that said Mr. Orton Tuesday night. think it was a miscalculation on their part. They thought that would destroy my campaign by alienating me from voters. It didn't work."

Clark Caras, spokesman for Republican challenger Karl Snow, claimed the ad was not a major factor in the race because of the early margin of votes that put Mr. Orton ahead.

"It was obviously a combination of things," said Mr. Caras. "The exit polls showed a lot of John Harmer [Mr. Snow's primary election opponent] people voting for Orton. In addition, we had a lot of party defections on top of a series of negative ads against Mr. Snow."

Mr. Caras said the ad, which stated at the bottom that it was "Paid for by the Utah Republican Party," was actually the effort of a small group of well-meaning supporters.

"We heard as much positive as negative about the ad," he said.

More than 68,000 copies of the paper with the ad were printed and distributed free to every Utah County household.



Karl Snow and his family



Bill Orton and his family

Some candidates want you to believe that their personal values don t matter.

Most issues facing the United States Congress seriously affect our families.

Values Do Matter!

Vote Republican

This advertisement that focused on his marital status "offended voters," said Bill Orton after his stunning victory.

Food Tax Initiative

Continued From A-1

politics of fear won over the politics of fairness and reform," said Merrill Cook, leader of the Utah Independent Party who spearheaded the movement to get the initiative on the ballot.

"I think that people originally understood we had a good idea with the food tax cut, but they became worried by statements from the Board of

Mr. Cook and his colleagues countered that the state has more than a $200 million surplus, so it could absorb the loss of revenues without cutting services and without raising other taxes.

"A systematic, well-financed campaign touching upon each element of fear within the community obviously had a significant political impact," said Patrick Shea, Democratic National Committeeman for Utah.

less the Republican monolith properly changes the tax policies," Mr. Shea said.

The Democrats and Independents, who formed an unusual coalition to battle the Republican government leaders on the food tax issue, denounced the tax as immoral and unfair because it placed the heaviest burden on the poor.

House Majority

Harmer Tells GOP Leader To Step Down

Continued From B-1

that got to Mr. Van Alstyne. "I know who, when and how.

"Either he doesn't know what's going on with his own people, or he went back on his word [to stick to issues.] Either way, it's not the caliber of someone seeking the office."

Mr. Harmer claimed Mr. Snow didn't show up at a series of public appearances scheduled for the last five days.

"He may be too busy to discuss the issues, but yesterday he or his people weren't too busy to meet with the county GOP to essentially ask me to withdraw."

"We are in this race to stay and to win," said Mr. Harmer.

Mr. Van Alstyne told *The Tribune* Friday that he has never asked the candidate to quit the race.

On another note, Mr. Harmer spoke of a possible attempt on his life and the increasing abuse his family has undergone in recent weeks.

"Last night the car I was using was sabotaged when some brake lines were removed from the vehicle," he said. "I could have very easily been killed."

Mickey Cochran, the owner of the vehicle and Mr. Harmer's campaign manager, said a complaint over the matter has been filed with Lindon Police in Utah County. Another complaint was filed Friday in Orem over the removal of a campaign office outdoor sign.

Mr. Harmer said his family receives numerous abusive phone calls and statements from anonymous people.

Mr. Cochran said there has been an increasing number of accusations leveled against Mr. Harmer over the last several days, but they were always through unidentified individuals and never supported with evidence.

Mr. Van Alstyne late Thursday issued a three-page statement to the press citing concern over questions surrounding Mr. Harmer's financial accountability.

"Mr. Harmer's explanation of these numerous tax and court judgments are wholly inadequate," he said. "He can't keep on brushing them aside. We must have answers supported by the evidence found in the pages of these court documents."

Harmer Fires Back, Tells GOP Boss to Quit

By Walt Schaffer
Tribune Staff Writer

Third Congressional District hopeful John Harmer has called for the immediate resignation of Salt Lake County GOP Chairman Peter Van Alstyne, saying the Republican Party official has leveled false impressions about his financial affairs and acted inappropriately as a party leader.

The candidate's remarks came Friday at a news conference less than a day after Mr. Van Alstyne asked Mr. Harmer to make an honest and full clarification of taxes and debts allegedly owed.

Claiming that Mr. Van Alstyne never personally spoke to him about his financial situation before publicly asking for a public accounting, Mr. Harmer said the chairman violated the most essential elements of GOP leadership.

Mr. Van Alstyne

"I now call for him to resign," Mr. Harmer said with his voice sometimes cracking with emotion. "If he doesn't do it now, when I'm elected to Congress, I'll have him removed."

Mr. Van Alstyne responded later Friday saying he has no intention of resigning, and he was only doing his job.

"I feel bad talking about it, but I should have thought about all of these things when he filed as a candidate," said Mr. Van Alstyne. "I'm doing my job, and I'm not happy about it."

Mr. Harmer

Earlier in the day State GOP Chairman Richard Snelgrove also criticized Mr. Van Alstyne for his actions.

"I told Peter he was out of line, and I took him to the wood shed," said a visibly concerned Mr. Snelgrove. "It's not appropriate for party officials to even hint support for any candidate, and it's up to the Republican faithful in September to vote to send one candidate forward from the primary."

"I ensure you we won't be seeing anymore of this," he said as he held up a copy of *The Tribune* with the Friday morning story about Mr. Harmer's finances and the county official.

Mr. Harmer said he will hold a news conference next Friday to openly discuss and provide documentation on his financial affairs to "once and for all" conclude the matter.

The candidate also lashed out at opponent Karl Snow.

"I can tell you categorically, it was Karl Snow's campaign people

See B-2, Column 4

ORTON

Continued from A1

Both Orton and the national party hoped his victory would encourage more Democrats to have courage to run in even heavily Republican areas.

Sosnick said, "This taught again that people vote based on local issues. We had a strong candidate, they had a weak one. In the modern age of using the media to go directly to the public, party labels don't mean much."

Orton also had national Republican leaders shaking their heads.

"Even though Utah is among the most Republican states in presidential election, Utahns are very independent," said David DuBose, deputy press secretary for the National Republican Congressional Committee.

"Obviously, we are disappointed. But we are beginning today to do all we can to retake the 3rd District in two years. It is a top priority," DuBose said.

As Orton enjoyed his win — and the attention — he immediately turned his attention to hiring a staff, opening an office, lobbying for a committee spot and finding an apartment in Washington.

He said he had been offered help in organizing an office by fellow Democratic Rep. Wayne Owens, former Democratic Rep. Gunn McKay and even Sen. Jake Garn, R-Utah.

He plans to travel to Washington next week between tax law seminars he is scheduled to give in New York City and Orlando, Fla., and hopes then to meet with Democratic leaders then.

Orton also has to plan how to handle the nearly 50 percent salary cut he'll take by winning his election. Disclosure forms showed he earned about $250,000 last year, and he will be paid about $120,000 a year with a new raise for Congress that takes effect Jan. 1.

"I'm obviously not running for the money," he said. "I'm not sure I can afford being elected to Congress . . . but members of Congress are paid a good salary, and I certainly can live on it."

9704383025

How do you feel about the surprise win of Bill Orton?



Joi Ivie, Orem
Voted for Bill Orton

"I felt he was much more honest and intelligent on his views. He didn't seem to backlash and (use) such dirty politics against his opponent. He had more integrity about what he wanted to do." Still, Ivie, who decided early in the campaign to vote for Orton, was surprised he actually won. "This is such a dominant Republican area, where people tend not to have open minds and tend to vote straight Republican."



Neil Sorensen, Spanish Fork
Voted for Bill Orton

"It was because when things came out that Snow had been involved with — his alleged underhanded dealings — he denied it. He went on denying it and then came back and said (he was involved.) Basically I lost trust in him. If he had admitted it and said it was a mistake from the start I probably would have voted for him." Sorensen's message for Orton: "Balance the budget."



Louisa Slater, Provo
Voted for Karl Snow

"I usually vote Republican unless there is a real strong reason I don't like the candidate. I guess I'm a real true Republican. I did not like the ad (comparing Snow's family to Orton's) ... that turned me off, but I still voted Republican."



Jud Harward, Springville
Voted for Bill Orton

"Snow had such a bad image. He had all this stuff dredged up in his past and business dealings. I didn't know Orton from diddley nothing. For me, it was a matter of voting against a guy rather than for a guy." Harward said he'd decided how to vote early on in the campaign and was not influenced by the last-minute flurry of advertisements.



Peter Jeppsen, Spanish Fork
Voted for Robert Smith (American Party)

"I voted against those two (Snow and Orton) by voting for the American Party candidate. I didn't know him (Smith) from Adam. Every one of their campaigns (Snow's and Orton's) were so negative, that was my only recourse. I wish I could have written in my own name."



Mike Adams, Provo
Voted for Bill Orton

"I was outraged by that ad they put in the (Utah County) Journal. I'm divorced, so I took that to mean just because you're not with a big family and a wife you don't have values. I held resentment for Snow back for things he did in the primary." The ad was the deciding factor in how he voted, Adams said.

9704383032 6

Orton's victory likely to increase Utah's influence in Washington

By Lee Davidson
Deseret News Washington Bureau chief

Democrat Bill Orton's winning im[illegible] Tuesday and results of other congressional [illegible] nationwide should strengthen Utah's power in [illegible]

With Orton, Utah has another Democrat in the heavily Demo[illegible] cratic-controlled House. That should bring more influence with House leaders and committee chairmen, who are all Democrats. It may also bring choice committee assignments to help Orton [illegible] his seat in an overwhelmingly Republican state.

Meanwhile, Democrats nationally gained [illegible] the Senate to achieve a 56-44 advantage. But [illegible] not the Democratic blowout some had predicted. That's important to help Republican Sens. Jake Garn and Orrin Hatch and other conservatives preserve some slim margins of victory they barely achieved on recent issues.

For example, conservatives managed last month to sustain President Bush's veto of the Civil Rights Act of 1990 by just one vote. Losing three or four seats — which had been predicted by some as likely for an election in the middle of a presidential term — could have hurt them deeply.

Orton's victory also will change the inner dynamics of the Utah delegation and likely make Rep. Wayne Owens, D-Utah, the second-happiest politician in the state behind Orton by ending his distinction as the lone Democrat in the delegation.

Republicans have treated Owens much like an annoying fly they wanted to swat away and have spent much of their political energy trying. They will likely hate to treat two Democrats differently and be forced to work more with them.

"It's wonderful, isn't it," Owens said. "I offered to do all I could to help Orton before the election — even go down to Utah County and endorse Karl Snow if that would help." It might have, because Owens is much more liberal than Orton professes to be, and the 3rd District is very conservative.

Orton's win also may help protect Owens' political career by preventing redistricting by Republican legislators that would add more Republicans to Owens' district by diluting Orton's district. Admittedly, the first selfish thought that entered my mind when I heard about it (Orton's win)," Owens said.

While Garn and Hatch naturally would have preferred Karl Snow to win the 3rd District seat, they said they were at least happy Orton says he is a conservative — and say they will welcome him with open arms and try to work well with him.

"I work with anybody," Garn said. "I was the only Republican in the delegation when I was [illegible]. So I have worked with Democrats before."

Hatch said, "He says he's a conservative, and I welcome him with open arms."

But Garn and Hatch add that if Orton is truly conservative, he may find life frustrating among much more liberal Democrats.

"Look at the Democrats in the House who supported Reagan. Where are they now? They're gone, and a few changed parties because they were totally ostracized," Garn said.

Hatch added, "If Orton doesn't continue to be conservative, he will only be a one-term congressman. And if he is conservative, he may find it very frustrating that he may consider changing parties."

Hatch and Garn also were pleased that mid-term election losses were smaller than feared. Over the [illegible] years, the party of the president has lost an average of [illegible] Senate seats in elections in the middle of presidential terms. This year's Republican losses [illegible] and had feared losing up to four in recent weeks.

"Just one vote is important. That's the margin we had to kill the civil rights bill this year," Hatch said, but the erosion of Republican power is slight and less than what it could have been.

News analysis

Orton Promises Unconventional Approach in Representing Utah

By John Keahey
Tribune Staff Writer

Democrat Bill Orton promises to be as unconventional in his approach to serving in the U.S. House of Representatives as he was in his campaign to carve out a place of influence in the nation's "most Republican" district.

In fact, the day following his stunning defeat of veteran GOP politician Karl Snow, Mr. Orton said he will put his conservative views and his desire "to change the system" ahead of partisan politics.

> ***"If I come to the conclusion that I cannot be effective ... I will go [to the political party] where I can be most effective, and that's as honest as I can be about it." — Bill Orton***

So far ahead, in fact, he "probably wouldn't think twice" about switching parties if he found he was ineffective as a conservative in a party generally perceived to be liberal.

"But I don't believe that's going to happen," he told *The Tribune*. "I'm as optimistic about [being able to change the system] as I was about winning this election."

He said he believes a political leader who is "not afraid to stand up, go against the grain, swim upstream and speak out for what he knows and believes to be true, can prevail. You can't argue that it was an uphill battle as a Democrat in the 3rd District."

He said he would fight the same way in Congress and in the Democratic Party that he fought in the election.

"If I come to the conclusion that I cannot be effective ... I will go [to the political party] where I can be most effective, and that's as honest as I can be about it."

He said his game plan is to go to Washington and, first, "be true to myself" and second, "be true to my constituents. If that makes me an outlaw renegade in the Democratic Party, so be it. If it makes me totally ineffective in the Democratic Party, they won't see me a Democrat very long."

But, he said, that's getting too far into the future.

Today, "I think I can have a great impact in Congress as a conservative Democrat. I think I can have a great impact on my own party as a conservative Democrat."

Mr. Orton believes this approach will keep him in good stead with the unlikely coalition of voters who, to the surprise of every political expert, propelled him into office: far-right, conservative and moderate Republicans who lost faith in Mr. Snow and who the congressman-elect believes make up the mainstream of 3rd District voters.



—Tribune Staff Photo by Lynn R. Johnson

Newly elected Rep. Bill Orton is calling for changes in the system. He pledges to put conservatism ahead of partisan politics.

He knows much of Mr. Snow's defeat came, in part, from the influence of ultra-right strategists who wanted a Republican they viewed as liberal out of the way even at the cost of losing the seat to a Democrat, albeit a conservative Democrat.

"It had to cross [the ultra-conservatives'] minds" that Mr. Orton might be easier to unseat in two years than "the damaged goods they had in Karl Snow."

They were asking themselves, Mr. Orton speculated, " 'Do we keep Karl for a decade or do we go in and pick Orton off in two years'."

To prevent that from happening, "I have to go back and do the job. If the public decides I haven't done the job for them, they'll go and vote for someone else. That is, if I decide to run in two years."

He hopes to meld together the strange bedfellows found in his constituency, he said, by simply "being myself."

"Personally, I believe I think the way the people in my district think." This group, he said, runs the philosophical gamut from trade unionists ("We have the largest group of union members in any district in the state") to "arch conservatives, strict constitutionalists."

But, he maintains, there are underlying philosophical similarities.

"One thing I've found is that all voters recognize common sense," he said. "The one thing that most politicians ignore is common sense.

"As I went through the campaign and was asked difficult questions, I just had to look inside myself and think: 'What does common sense tell you?'

"Not everyone is looking for you to agree with them all the time. They're looking for someone who will stand up and lead."

He said he frequently looked deep inside during the campaign and found that he was more comfortable listening to "my own gut" than following the advice of numerous political advisors.

"Practically every political advisor who talked to me kept telling me to shut my mouth on taxes, that people don't want to hear about taxes. I ignored them because it's common sense that the people know there's a problem.

"The people know that the solutions are going to hurt. The people are ready to start acting on solutions."

He said he intends to do assume leadership role by setting up a congressional office that, first and foremost, is constituent-oriented.

"I want a functional office ... that gives me the most access possible to constituents." He said he also recognizes that he will need a traditional structure in order to "get me around the system in Washington."

But his office, he said, will have a non-traditional element, "because I plan on using the system for changing the system." He said he wants to use the same hands-on approach in managing his congressional office that he used in managing his unorthodox campaign.

"My office is probably not going to be your typical congressional office. My campaign certainly wasn't typical.

"I didn't even have a formal campaign manager," he said, recognizing that this flies against conventional wisdom that a politician who acts as his own campaign manager has a fool for a client."

And he believes he will fit in with the demanding Washington-to-Utah round trips he plans to undertake to stay in touch with constituents.

"I've spent a lot of time on airplanes. I am used to living in two or three different places at the same time. It will not be much of an upset to my routine and the way I live my life. I've been living this kind of life for the last decade.

"I don't think I'll go through my whole freshman term wondering where the men's room is in Washington."

BEST OF UTAH 1993

(BEST YOUR CHOICE)

Best Playwright
David Kranes
The Salmon keep running for Kranes, who besides UofU professorialship, is also known to derive many of his plots and characters from the Silver State. Name another person besides Kranes who has spent a night in Jackpot, Nevada.

Best Utah Treasure
Maurice Abravanel
Let's give the man a hand—he *is* Utah culture. The symphony will forever ring for him.

Best Break For Utah
Roseanne Barr (Arnold)
Good. She's gone. She hates us anyway. We feel the same about her. Whoever it was that made her feel bad in junior high didn't make her feel bad enough. Can you believe it? Making a career out of hating Mormons and not living into the latest sid wear?

Best Republican
Bill Orton
Our man from Utah County scores points for being an outsider in a Democratic administration. You may call it independent thinking, Bill, but we know, we know...

Best Clothing Designer
Randy Horicuhi
Who would've thought toxic-chic would hit the big time? Only our main-man, Mr. H.

BEST OF PARK CITY

BEST OF THE BEST

Cicero's Ristorante & Club
At the top in this mountain ski resort town, and at the top of our reader's list, is Cicero's. Famous for it's Italian seafood dishes and it's hospitality. The fine Italian food upstairs is for everyone, downstairs is for those who belong to the private club. A consistant winner. For Mexi-fare, try Baja Cantina— another enterprise to Cicero's.

BEST PLACE TO BE SEEN

Z Club
A throwback to the old big dancehalls that had bands that actually played music to dance to, only this time it's rock. If you're tired of getting your toes stepped on in those small overcrowded clubs, come to the Z. While you're stepping the light fantastic, look around and spot those who like to make the scene, especially during the film fest.

BEST FOR A SPECIAL OCCASION

Adolphs
Chef Adolph has been here adjacent to the Park City Golf Course since before the boon. Adolph easily ranks as one of the best chefs in Utah. Check out the photos of the celebrities in the know who like to dine here, as well as a full compliment of Park City's movers and shakers—and a few golfers.

BEST TO TAKE OUT-OF-TOWNERS

Stein's Lodge
Just the thought that the ageless Olympian might stride into the premises is enough of a reason to take Aunt Betty here for a potential thrill. The luxurious lodge still retains the feel of an European ski lodge. Sit down next to a fireplace and just feel how expensive this place is.



BEST JAPANESE

Ichiban Sushi
For those of you who like raw fish, the two ways to go here. The market has best in fresh fish. If you want some of fish cooked try the restaurant for tempura and teriyaki.

BEST BAKERY and BEST VEGETARIAN

Morning Ray / Evening Star
An interesting combination for a food tion, two restaurants in one. In the try the Morning Ray for fresh rolls muffins. Since you know the way th come back at night for gourmet etarian. Try the curried vegetable coconut milk.

LIVE MUSIC IN MARCH

THE CLUB
449 MAIN ST
PARK CITY
801-649-6693

DAN IN MA

MARCH CALENDA

Don't Forget
THE ALAMO!
447 Main St.
649-2380

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	S
Feb. 24-5-6 RAY BAND	1 THE WEEK	2 BLT'n C K	3	4 KILLER TOMATOES	5	
7	8	9	10	11	12	

9704383030329

prison term of 1 to 15 years.

Son of Ex-Governor Matheson Is U.S. Attorney Heir Apparent

By Ted Cilwick
THE SALT LAKE TRIBUNE

The loyalty of a leading Utah family is bearing fruit: Scott Matheson Jr. is the only candidate to become the next U.S. Attorney for Utah.

Democratic U.S. Rep. Karen Shepherd nominated Mr. Matheson, a Rhodes scholar who teaches law at the University of Utah and is the son of late Gov. Scott Matheson.

Republican Sen. Orrin Hatch, a member of the Senate Judiciary Committee, said he would not block the post: "If Scott wants the job, he can have it."

President Clinton has plenty of reasons to name the 39-year-old as Utah's top federal prosecutor.

He was Clinton's Utah campaign director and his wife, Robin, was a Shepherd campaign organizer who now manages her Salt Lake office. And his mother, ex-Utah first lady Norma Matheson, was co-chairwoman of the Clinton organization in Utah.

If Mr. Matheson is appointed, one of the biggest white-collar crime cases he will inherit is the Bonneville Pacific investigation into questionable financial deals by several lawyers, financiers and Salt Lake City Mayor Deedee Corradini. Mr. Matheson's father once was a Bonneville Pacific board member. Several defense attorneys say that alone should not pose a conflict of interest.

Because the U.S. Attorney serves at the pleasure of the president, it is only a matter of time before Clinton replaces Republican U.S. Attorney for Utah David Jordan, who declined comment Thursday.

But the appointment has been delayed because the White House has had trouble getting confirmation of a U.S. Attorney General.

Confirmation hearings for Clinton's latest nominee, Miami prosecutor Janet Reno, is slated to begin Tuesday.

ORTON

Continued from A1

"He was always studying, that's what I remember," said Johnson. "Any time of night I would get up he would always be out in the kitchen studying."

Orton milked cows each morning while in high school to earn spending money, his parents said. He kept that job while attending Weber State College — going to school in the day, working for the Internal Revenue Service from 4 p.m. to midnight, studying until 2 or 3 a.m. and then getting up at the crack of dawn to start his day all over.

"In school — growing up — I wasn't the most popular, I didn't date a lot, I wasn't in athletics," Orton said. "I was studious, kind of a bookworm, got good grades, went to college and worked full time. I have always been kind of a quiet person. I shocked everyone who knew me by going into politics."

Orton's dream as a youngster was to be an attorney, but he decided while a teenager that going to law school would take too much money, too much time and too many brains. Spurred by a fascination with ancient cultures, people and archaeology, he instead pursued a bachelor of science degree at Brigham Young University in anthropology/archaeology with a minor in sociology.

He also took a lot of accounting classes; he continued working for the IRS while at BYU and noted that "every time I took an accounting class I got a raise."

He worked for the IRS for an additional four or five years after he graduated from BYU before deciding to go back to school.

"I discovered it took less time to get a law degree than it would take to get a doctorate in anthropology," Orton said. "So my old aspirations came back."

While in law school, Orton started a company: Tax Training Institute, which provides one- to three-day seminars on tax issues for professional people. Over the past 10 years, 15,000 to 20,000 people in 45 cities throughout the United States have attended his seminars.

"In fact, about the only state we haven't done much in is Utah," he said.

Orton completed law school in two years and began a private practice as a tax attorney. His private practice and tax seminar business have kept Orton bustling around the country. In fact, the pace of his professional life may explain in part why Orton is still single.

"He just hasn't had time yet," said his father, Donald Orton.

His mother explains there aren't "many girls who are going to sit around home waiting for him to come home and take them out."

Since his bachelorhood became a campaign issue, Orton's received some interesting proposals. Election night a female television reporter handed Orton an envelope inviting him to lunch; she included several photographs of herself.

"I'm flattered by those things, but I'm really a very shy kind of person," Orton said. "The people I date are friends I've known for years."

His idea of a great date is cooking a gourmet meal for the woman, going skiing, riding his horses — particularly his black Arabian, which he bought the day the Exxon Valdez ran aground in Alaska and which is appropriately named Slick.

Among his closest friends are a former girlfriend, Candice Kelly Gasdik, and her husband, Nicholas Gasdik.

"She's the one that turned me down and wouldn't marry me," Orton said.

Nicholas Gasdik said six months after he and Candice married, Orton called and said if Candice had married him, he had to be a nice guy and that he'd like to meet him.

"Bill cooked us dinner, and it blossomed into a friendship," Nicholas Gasdik said.

Orton and his close group of friends hunt, fish and camp together. He is also an avid photographer, a private pilot and certified scuba diver.

He could have chosen to live anywhere in the country because of the nature of his business. Orton chose Sundance.

"Sundance is the most beautiful spot in the world," Orton said. "I love the people of Utah, I love the culture, I love Sundance. That is one of the hardest things I have to do (as a congressman) — spend so much time in Washington."

Orton's home is a three-story log cabin — big enough to accommodate overnight visits from his parents, brothers and sisters and his 13 nieces and nephews.

"He enjoys the solitude so much," Caroll Orton said. "He gets up there away from the rest of the world and can relax."

In fact, what Orton minds most about his new job isn't that his salary will be cut in half — he makes around $250,000 a year; it's his loss of privacy.

"I feel like when I go to the grocery store I can't sort through and pick out the best potato," Orton said. "Everyone is looking at you. That's the hardest thing."

DESERET NEWS SU

41ST YEAR — No. 145 SALT LAKE CITY, UTAH WEDNESDAY, NOVEMBER 7, 1990

Utah loses its long-held claim to title of most Republican state

■ **Surprise:** 3rd District, S.L. County Commission fall to Democrats in what pollster calls 'bizarre' elections.

"Let's face it, if we lose that race (Utah's 3rd Congressional District), we might as well shut off the lights here and go home. This is a slam-dunk win for us" — a statement by Gary Maloney, director of strategy and research for the Republican National Congressional Committee, that now falls into the "most famous last words" category.

By Bob Bernick Jr.
Deseret News political editor



PHOTOGRAPHY/ GARRY BRYANT
Republican Jim Hansen retains his seat in Utah's 1st District, but the race was closer than expected.





Utah was considered the most Republican state in the nation. Note the "was." If Tuesday didn't have voters looking to the Democratic Party for some answers there's little to be learned from the 1990 election.

But first some questions. How did Republican Karl Snow lose the 3rd District? How did Democrat Kenley Brunsdale get so close to Jim Hansen in the 1st District? Where were the Republicans who were

canvass Monday, Horiuchi and Bradley will rule the commission and Republican Mike Stewart will be in the minority.

Hey, Davis County voters even elected Democrat Dell Holbrook to the County Commission. A Democrat in the Davis County Commission! No one can even remember the last time a Democrat served there.

In a debate that started loud but ended with a whimper, Utahns soundly rejected the initiative to remove the sales tax from

— a statement by Gary Maloney, director of strategy and research for the Republican National Congressional Committee, that now falls into the "most famous last words" category.

By Bob Bernick Jr.
Deseret News political editor



Utah was considered the most Republican state in the nation. Note the "was." If Tuesday didn't have voters looking to the Democratic Party for some answers there's little to be learned from the 1990 election.

But first some questions. How did Republican Karl Snow lose the 3rd District? How did Democrat Kenley Brunsdale get so close to Jim Hansen in the 1st District? Where were the Republicans who were supposed to vote for Genevieve Atwood and unseat incumbent Democrat Wayne Owens in the 2nd District?

What happened? A whole lot of Republicans voted for a Democrat, that's what.

Deseret News/KSL-TV pollster Dan Jones said the election was the "most bizarre I've seen in 20 years. I've never seen so many Republicans voting for Democrats, especially in the 3rd District."

Democrat Bill Orton's win over Snow has to be one of the great upsets not only in Utah congressional history but also in U.S. congressional history. That's not a great exaggeration. The district is 3-1 Republican. Former GOP Rep. Howard Nielson crushed his Democratic opponents there and national Republican strategists considered it a lock. But Orton wins with 58 percent of the vote to Snow's 37 percent — a landslide in such a GOP area.

Certainly the negative attitude of the race played a part. "I hope Orton's win tells Utahns, especially Republicans, that negative campaigning doesn't work here," said Salt Lake Mayor Palmer DePaulis, a Democrat.

"I guess it just goes to show that you can't throw mud without some of it getting on you," said GOP state Chairman Richard Snelgrove.

Democratic victories run deep. In Salt Lake County, the three-member GOP commission is no more. Republican in-



PHOTOGRAPHY/ GARRY BRYANT

Republican Jim Hansen retains his seat in Utah's 1st District, but the race was closer than expected.

canvass Monday, Horiuchi and Bradley will rule the commission and Republican Mike Stewart will be in the minority.

Hey, Davis County voters even elected Democrat Dell Holbrook to the County Commission. A Democrat in the Davis County Commission! No one can even remember the last time a Democrat served there.

In a debate that started loud but ended with a whimper, Utahns soundly rejected the initiative to remove the sales tax from food. Merrill Cook's Independent Party gathered the voter signatures to place the measure on the ballot, but Cook purposely ran a low-key campaign. Even though the Democratic Party backed the measure, it

Please see ELECTION on A2



PHOTOGRAPHY/ STUART W. JOHNS

Democrat Bill Orton gets a hug from his mother, Caroll. Orton won th congressional race in Utah's 3rd District, which is 3-1 Republican.



kely to in

4 2 8 1990

Orton proves good forecaster — Snow

■ Surprise victory: Demo 'astounded' at his win, says it shows 'people are fed up with politics as usual.'

By Brooke Adams
Deseret News staff writer

PROVO — Let's hope Bill Orton proves to be as good a congressman as he is a weather forecaster.

Monday, Orton predicted that, on election night, "Snow would fall" in the 3rd Congressional District. He was right.

Orton, the Democrat who downplayed "partisan" politics in his campaign for the congressional seat, is on his way to Congress after surprising the state by defeating Republican Karl Snow in what has been called the most Republican district in the nation.

Orton, 42, pulled together a coalition of Republican and Democratic voters to win an upset victory over Snow — a victory that will have pols shaking their heads for months.

"I think we can declare that the two-party system in Utah County is on the rebound," Orton said.

Orton, who gathered with supporters at the Excelsior Hotel to watch reports of election results, stood with arms extended around his parents, Carol and Donald Orton, as the first exit-poll results were broadcast shortly after 8 p.m. As the polls indicated voters had elected him, Orton was momentarily speechless.

"I'm astounded. I'm absolutely astounded," he said. "I hoped we'd win. . . . I think what it reflects is people are fed up with politics as usual. It's not a message between Democrat and Republican, it's not a message between Bill Orton and Karl Snow. What it is is a message to Congress. . . . They want someone who's going to stand up and tell them the truth and say, 'Here are some solutions.' "

The 3rd District is located in the north-central and eastern portions of the state and covers 34,511 square miles. Approximately 73 percent of the district population lies in Utah and Salt Lake counties. Eleven rural counties make up the remaining 27 percent of the district's population: Wasatch, Summit, Sanpete, Sevier, Uintah, Daggett, Duchesne, Carbon, Emery, Grand and San Juan counties.

All of the counties except Carbon and Emery are traditionally Republican.

Orton received 78,431 votes — 58 percent — to Snow's 50,090 votes — 37 percent.

Snow conceded defeat to his supporters gathered at the Utah County Courthouse at 10:50 p.m. and called Orton shortly after to congratulate him. In the conversation Snow indicated "he hopes to see me in my office in D.C.," Orton said. "He also indicated that he hoped in two years they could convert me to the Republican Party."

Orton told the Deseret News he didn't think he'd be changing political parties but reiterated that "I've told you from day one I'm not a partisan politician."

Snow and Orton also talked about the mudslinging in the campaign, both saying they hoped the 1990 3rd District race would be the "low point in politics in this state" and that future races would focus on the issues. Orton told Snow he admired his past service to the state.

In his victory speech, Orton said he was not a politician when he entered the race but "I guess I am now. . . . I think this election has been a mandate by the voters to go to Washington, D.C., and try to shake things up a little."

He vowed he would not violate his own "personal standards" or "my promises to the people" while a congressman and asked his constituents to communicate their concerns to him and to be patient with him.

"It's going to be a tough job," he said. " . . . It's going to take some time."

Orton, saying one of the first things he wants to do is work to reform campaign financing, called on residents of the 3rd District to join in a bipartisan effort to cut down the "partisan, political barriers in Washington, D.C., and Utah County" by participating in a fund-raiser to help him, Snow and primary candidate John Harmer pay off campaign debts.

Orton spent $50,000 of his own money on his campaign and received $30,000 to $40,000 in contributions.

Snow said his failed congressional bid signals the end of his political career.

"I doubt I'll try for elective politics again," Snow said. "I will be active in the party, I will be active in public affairs. I'm a good citizen, and I believe in participation in the political process but perhaps not as a candidate."

Snow said his campaign didn't anticipate the national backlash or the "phantom candidate" in the race — the right wing that "wasn't able to accept Karl Snow."

"I suspect the most difficult thing for us to face is the character assassination we've been through by two 'citizen groups' who have indeed set about with a very vicious campaign to assassinate Karl Snow's character," Snow said. "I've been in politics for 20 years. My integrity, my honesty has never been questioned. That's the tough part. It's not losing the election."

Orton plans to spend the next two years showing residents of the 3rd District "what can be done. . . . I expect to speak out, I expect to meet with the constituents regularly, I expect to work very hard to accomplish what I promised the voters I'd try to accomplish."

Orton would like to be appointed to the House Ways and Means Committee and believes his upset win will help get him a "pretty good committee assignment."

"I'm a tax attorney. I don't think they will find anybody more qualified to be on Ways and Means, and I'm going to lobby very hard for it," Orton said.

He plans to "hit head-on problems such as the savings-and-loan crisis) and start talking very loudly in Congress about things that have to be done to start solving these problems." He believes as a conservative Democrat he will join some of the "most effective congressmen" in the House.

Congressman Howard C. Nielson, who is giving up his seat after eight years in office, said the Democrats would be smart to give Orton a good assignment to ensure he retains his seat. However, he predicts that in 1992 the Republicans will "take it back big. . . . I'm sure Bill Orton will be a one-time winner."



Karl Snow and his family show their c

U.S. House District 3

County	Districts Reporting	Orton	Snow	Smith	Dutrow
Carbon	18 of 18	4,263	872	85	33
Daggett	2 of 2	176	190	6	4
Duchesne	12 of 12	2,157	1,051	60	8
Emery	12 of 12	2,341	1,216	52	25
Grand	11 of 11	1,271	1,212	61	26
Salt Lake	136 of 136	22,892	12,820	1,642	143
San Juan	20 of 20	1,968	1,903	[illegible]	67
Sanpete	26 of 26	2,566	1,890	209	16
Sevier	23 of 23	2,370	1,962	150	10
Summit	26 of 26	3,271	1,616	170	34
Uintah	21 of 21	2,340	3,061	140	21
Utah	148 of 148	30,664	20,670	3,795	110
Wasatch	15 of 15	2,152	1,327	56	16
Totals	**470 of 470**	**78,431**	**50,090**	**6,525**	**515**

3rd

9704308334

good forecaster — Snow falls indeed

oped the 1990 3rd District race would be the ow point in politics in this state" and that ıture races would focus on the issues. Orton ld Snow he admired his past service to the ate.

In his victory speech, Orton said he was not a olitician when he entered the race but "I uess I am now. . . . I think this election has een a mandate by the voters to go to Washing-on, D.C., and try to shake things up a little."

He vowed he would not violate his own "per-onal standards" or "my promises to the eople" while a congressman and asked his onstituents to communicate their concerns to im and to be patient with him.

"It's going to be a tough job," he said. " . . . t's going to take some time."

Orton, saying one of the first things he wants o do is work to reform campaign financing, alled on residents of the 3rd District to join in a bipartisan effort to cut down the "partisan, olitical barriers in Washington, D.C., and Utah County" by participating in a fund-raiser o help him, Snow and primary candidate John Harmer pay off campaign debts.

Orton spent $50,000 of his own money on his campaign and received $30,000 to $40,000 in contributions.

Snow said his failed congressional bid signals the end of his political career.

"I doubt I'll try for elective politics again," Snow said. "I will be active in the party, I will be active in public affairs. I'm a good citizen, and I believe in participation in the political process but perhaps not as a candidate."

Snow said his campaign didn't anticipate the national backlash or the "phantom candidate" in the race — the right wing that "wasn't able to accept Karl Snow."

"I suspect the most difficult thing for us to face is the character assassination we've been through by two 'citizen groups' who have indeed set about with a very vicious campaign to assassinate Karl Snow's character," Snow said. "I've been in politics for 20 years. My integrity, my honesty has never been questioned. That's the tough part. It's not losing the election."

Orton plans to spend the next two years showing residents of the 3rd District "what can be done. . . . I expect to speak out. I expect to meet with the constituents regularly. I expect to work very hard to accomplish what I promised the voters I'd try to accomplish."

Orton would like to be appointed to the House Ways and Means Committee and believes his upset win will help get him a "pretty good committee assignment."

"I'm a tax attorney. I don't think they will find anybody more qualified to be on Ways and Means, and I'm going to lobby very hard for it," Orton said.

He plans to "hit head-on problems such as the savings-and-loan crisis) and start talking very loudly in Congress about things that have to be done to start solving these problems." He believes as a conservative Democrat he will join some of the "most effective congressmen" in the House.

Congressman Howard C. Nielson, who is giving up his seat after eight years in office, said the Democrats would be smart to give Orton a good assignment to ensure he retains his seat. However, he predicts that in 1992 the Republicans will "take it back big. . . . I'm sure Bill Orton will be a one-time winner."

Nielson attributed Orton's victory to his grass-roots efforts to get out and meet people. "He took a leaf out of our book (by doing that)," Nielson said.



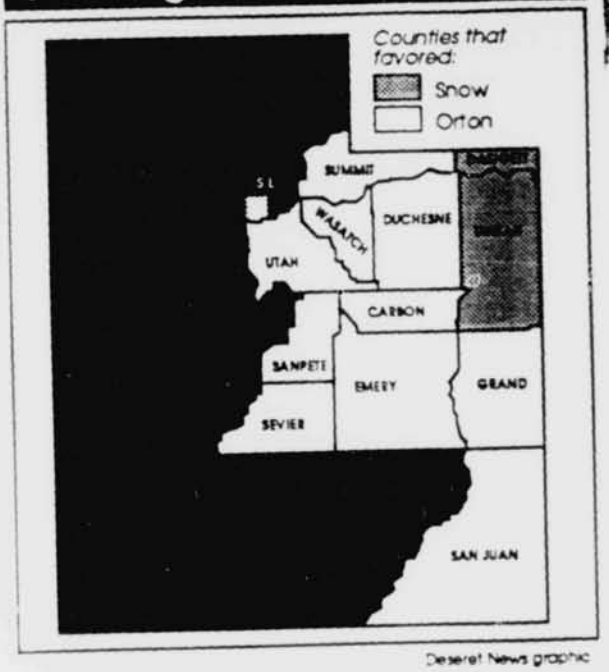
PHOTOGRAPHY/ STUART W. JOHNSON

Karl Snow and his family show their disappointment over election results.

U.S. House District 3

County	Districts Reporting	Orton	Snow	Smith	Dutrow
Carbon	18 of 18	4,263	972	65	33
Daggett	2 of 2	176	190	6	4
Duchesne	12 of 12	2,157	1,051	60	8
Emery	12 of 12	2,341	1,216	52	25
Grand	11 of 11	1,271	1,212	61	26
Salt Lake	136 of 136	22,892	12,820	1,642	143
San Juan	20 of 20	1,968	1,903	44	67
Sanpete	26 of 26	2,566	1,890	209	16
Sevier	23 of 23	2,970	1,962	150	12
Summit	26 of 26	3,271	1,816	170	34
Uintah	21 of 21	2,340	3,061	140	21
Utah	148 of 148	30,564	20,670	3,765	110
Wasatch	15 of 15	2,152	1,327	58	16
Totals	**470 of 470**	**78,431**	**50,090**	**6,525**	**515**

3rd Congressional District



Deseret News graphic

Might GOP lure Orton away from the Demos?

■ 3rd District: Utahn calls rumor ludicrous — but he doesn't close the door on an eventual party switch, either.

By Brooke Adams and Lee Davidson
Deseret News staff writers

PROVO — All the talk about Democrat Bill Orton switching political parties is "ludicrous," the newly elected congressman says. But he doesn't totally close the door on that happening eventually, either — which is raising the eyebrows of some national Democratic leaders.

Ever since Orton nailed the biggest political win in the state's history, people — mostly Republican heavy hitters — have been talking about converting him to the GOP before the next election. Pressure from the liberal Democrats in Congress may be nothing compared to the pressure Orton appears to be getting from Utah Republicans.

But Orton says Democrats can rest assured: "I'm not talking about changing parties," he said this week at his campaign office in Provo. "I don't think we need to send a shock wave through the Democratic Party like we just sent through the Republican Party," he said.

Orton acknowledges he's had plenty of offers from members of the Republican party, saying they'd be "more than happy to welcome me into the party."

"Why on earth would I want to do that?" Orton said. "Obviously, you don't have to be a Republican to win election in the district. I just won — by a wide margin," Orton said.

But, Orton is leaving all future options open, saying that he would entertain the notion of realigning himself politically if "in the future I discover that I could not be a Democrat and still maintain my own personal philosophy or if I could not adequately represent the interests of the people in my district, and it is apparent to me that by changing parties I could do that.

Please see SWITCH on A2



PHO

One of Bill Orton's major congressional challenges will be spending time away from

'Bill who?' intellectual, am

■ Political newcomer: Orton grew up in N. Ogden, worked for IRS and comes from a close-knit family.

By Brooke Adams
Deseret News staff writer

PROVO — Bill who?

That's the question reverberating from the shores of Utah Lake to the banks of the Potomac since Democrat Bill Orton won Utah's 3rd District congressional seat. The political newcomer beat a former state senator in what was considered one of the most Republican districts in the nation.

Heads are shaking and tongues are wagging; people are flabbergasted. Democrats in the district can't believe they finally voted for a winner; some Republicans can't believe they lost the seat. Congress is abuzz about this political upstart.

So who is this guy and where did he come from? According to friends and family, Orton is intellectual, private, sensitive and ambitious.

Orton, a bachelor who is 42, grew up in North Ogden. His father, Donald, is a retired firefighter who worked at Hill Air Force Base, and his mother, Caroll, is a homemaker. Orton is the middle of five children — one brother and three sisters.

"We were not a wealthy family and so when each of us kids got 12, 13, 14 years old we started working at farms or whatever to help pay for our own school clothes and save for a car and things like that," Orton said.

The Orton family spent a lot of time hunting, fishing and camping together — particularly in Blacksmith Fork Canyon. Today, when Orton travels he often takes his parents with him; before heading to Congress in January they will vacation together in Hawaii.

The siblings were and are close. Youn-

gest sister Sa
said Bill used
pick her up
black Thuad
Drive-in for
fore going ho

When Orto
ning for Con
family. Fam
didn't much
promised to
let himself b
he won. His f

"I thought
because
set out to do
Donald Orto

Orton gra
High School
small kid" a
devoted hims
than athletic
honor roll st



PHOTOGRAPHY / STUART W. JOHNSON

One of Bill Orton's major congressional challenges will be spending time away from his Sundance home.

'Bill who?' intellectual, ambitious

■ Political newcomer: Orton grew up in N. Ogden, worked for IRS and comes from a close-knit family.

By Brooke Adams
Deseret News staff writer

PROVO — Bill who?

That's the question reverberating from the shores of Utah Lake to the banks of the Potomac since Democrat Bill Orton won Utah's 3rd District congressional seat. The political newcomer beat a former state senator in what was considered one of the most Republican districts in the nation.

Heads are shaking and tongues are wagging; people are flabbergasted. Democrats in the district can't believe they finally voted for a winner; some Republicans can't believe they lost the seat. Congress is abuzz about this political upstart.

So who is this guy and where did he come from? According to friends and family, Orton is intellectual, private, sensitive and ambitious.

Orton, a bachelor who is 42, grew up in North Ogden. His father, Donald, is a retired firefighter who worked at Hill Air Force Base, and his mother, Caroll, is a homemaker. Orton is the middle of five children — one brother and three sisters.

"We were not a wealthy family and so [when each of us kids got 12, 13, 14 years old we started working at farms or whatever to help pay for our own school clothes and save for a car and things like that," Orton said.

The Orton family spent a lot of time hunting, fishing and camping together — particularly in Blacksmith Fork Canyon. Today, when Orton travels he often takes his parents with him; before heading to Congress in January they will vacation together in Hawaii.

The siblings were and are close. Youngest sister Sally Johnson of North Ogden said Bill used to show up unexpectedly to pick her up at elementary school in his black Thunderbird and take her to Kirk's Drive-in for a soda or ice cream cone before going home.

When Orton began thinking about running for Congress, he discussed it with his family. Family members told him they didn't much care for politicians. Orton promised to run a clean campaign and not let himself be corrupted in Washington if he won. His family gave him their support.

"I thought he had a pretty good chance because I don't know of anything he's set out to do that he hasn't accomplished," Donald Orton said.

Orton graduated from Weber County High School. He says he was "kind of a small kid" and was very shy to boot. He devoted himself to his school books rather than athletics or socializing. He was an honor roll student.

Please see ORTON on A2



Jeff Allred/The Salt Lake Tribune

Bailiff Nick Kirk stands in 3rd District Court, where he was shot by killer Ronnie Lee Gardner in 1985. Since then Mr. Kirk has fought unsuccessfully for injury compensation. He retires in December.

were:

11, 15, 35, 39, 40
Powerball: 23

•

The winning numbers drawn Friday night in Idaho's Fantastic

Powerball: 35

•

The winning numbers drawn Tuesday night in Idaho's Fantastic 5 lottery, worth $32,500, were: 7, 11, 22, 26, 27

disabled employees with
ent has been in the past,
ll Remington, the county's
vernmental relations di-

nong Depots
ditors Say

ployees, the GAO said. So
rders drop, as they did in
e depots have more work-
needed.

991, the Air Force deter-
the depots' workload
drop faster than the work
ould be reduced through
ents, they laid off tem-
and recall employees, al-
ar retirements and cut
s of 1,211 permanent em-

after those overhead cost
depots still have not been
meet productivity goals.

GAO said that isn't neces-
ecause depot workers are
because military budget-
using unrealistic projec-

managers interviewed by
stigators "do not believe
n achieve the improved
ivity and lower cost pro-
that Air Force Materiel
d Headquarters and the
the Secretary of defense
th to incorporate into
dget estimates for these
d 1993] years."

ir Force said most of the
roblems are now solved
began achieving a profit
and 1992. But the GAO
happened only because
ds did such things as not
oney for work that was
but later canceled or re-

of the profit also came
2% surcharge added to
fray losses from prior
he GAO said that sur-
ay "significantly distort
de'l operating results for

Dissension May Make Democratic Party an Endangered Species

■ Continued from B-1

going to have a difficult time."

Mr. Billings blames the malaise on the image the national Democratic Party has had since George McGovern ran for president in 1972. "The party platform was too liberal for many traditional Utah Democrats," he said. "With the election of Clinton, the national party is turning back to the center of the political scale. If Clinton does well, that will bring back Democrats in our state."

The defining issue in the Democratic primary election this year — and the conflict that could decide the future direction of the Democratic Party in Utah — is abortion rights.

The Democratic candidates who embraced the "pro-life" side of the argument were destroyed in the Democratic primary. Mr. Hanson, who used his "pro-choice" position to defeat Mr. Shea in the primary, was never a factor in the general election.

"As long as Democrats make abortion the issue, it will be hard for a Democrat to win a general election," said Mr. Gardner. "Conservative Democrats who embrace the precepts of the LDS Church are feeling unwelcome in the Democratic Party."

Scott Matheson Jr., University of Utah law professor and son of Utah's last Democratic governor, said pro-choice candidates can win in Utah, as long as they don't focus on that issue. Karen Shepherd and Jan Graham are pro-choice, but they had other issues and never made that the argument.

Annette Cumming, founder and chair of Utahns for Choice, is determined to make that the key issue in Utah, arguing that "choice" stretches beyond abortion rights.

"We are trying to convey the message that pro-choice does not mean pro-abortion," she said. "There is not room for Democrats who take a hard anti-choice position."

Mr. Shea found that out. He was endorsed by most Democratic organizations. Mr. Mayne said national funding sources were ready to commit more than $500,000 to Mr. Shea for the general election. But Mr. Hanson won the primary and he could not attract that money.

"Any credible candidate with a pro-choice position would have defeated Pat Shea in the Democratic primary," said Mr. Billings. "The fact of life is that most Democrats in Utah are pro-choice."

That, says Mr. Horiuchi, is why conservative Democrats voted for Mr. Cook. "We have to find out what attracts voters to Merrill Cook and develop ways to bring those voters back."

"We did a great job making a statement this year," added Mr. Mayne. "We did a lousy job winning elections."

Ms. Cumming's pro-choice movement, however, illustrates the electrifying effect the issue has in the political arena. Organized just a year ago, Utahns for Choice has raised $75,000 and is now recruiting pro-choice candidates for 1994.

But if "choice" becomes the avenue for success in the party, Democratic nominees will continue to face a stiff challenge in the general election, according to survey results compiled by David B. Magleby, a pollster and Brigham Young University political science professor.

According to Mr. Magleby's exit-polling, 57% of Utah voters are pro-life, while only 34% are pro-choice and 10% are neither.

"The key issue here is that 84% of the very active LDS voters are pro-life. And the very active LDS constituted 51% of the voters," he said. "All LDS people, including those who are inactive or moderately active, constitute 70% of the voting population — so for a candidate to win, that candidate must be able to attract Mormon voters."

The Democratic Party's dilemma can be illustrated by Congressman Orton, said Mr. Magleby. "He has won two elections as a Democrat in one of the most Republican congressional districts in the country. And he may be the one Democrat who could give Orrin Hatch a battle in the 1994 U.S. Senate race."

But, he added, because of Mr. Orton's conservative stands on numerous issues — including his pro-life position — "He not only would lose a Democratic primary, he'd probably have a hard time getting out of the Democratic Convention."

The Golden Flame
Natural Gas
It's a Gas!
Model 4000 INC
Insert..
Energy Efficiency From Your Masonry I



The Salt Lake Tribune
LOCAL
MONDAY, November 30, 1992

rning Question
is a green day on the Wasatch
Use of coal- and wood-burning
or fireplaces is permitted.

7-2045

☐ OBITU
☐ COMI

VELLS



en-Wells

would love
ns ski free
e biblical
gedly lived
ave to pay
y. But he
discount —

t Salt
s 70 — ex-
e skiers
80 in or-
. But then
lire[illegible]of
[illegible] at
es [illegible]rs
ninth dec-

ector La-
ced the ad-
featuring
Myna [bird]
nended by
ssociates.
e zoo
ent mole.
ght one.
vofold: The
honors
Associa-
Agencies

Utah Demos an Endangered Species?

Abortion-Rights Issue May Set Course of Party Plagued By Dissension

By Paul Rolly
THE SALT LAKE TRIBUNE

Democratic gubernatorial hopeful Pat Shea remembers speaking at a Democratic gathering earlier this year and noticing two prominent woman candidates at the head table snickering in each other's ear. The political "in-crowd" was making him the designated nerd.

Salt Lake County Commissioner Randy Horiuchi still bristles from a comment by a woman prominent in Democratic circles who, when speaking to a news reporter, referred to a faction of the party as "Randy Horiuchi and his little band of thieves."

Longtime Democratic Party activists say this type of dissension among party factions is more vicious than the traditional dislike for Republicans. And with the rise of Independent Party flagship Merrill Cook, squabbling among Utah Democrats threatens to exile the party to insignificant third-party status — or even extinction.

For the first time this century, the Democratic gubernatorial nominee, Stewart Hanson, finished third; likewise for Democratic presidential winner, Bill Clinton.

Democrats did retain three significant offices — Utah attorney general and the 2nd and 3rd Congressional districts. But even those victories caused concern among party circles. Third District Congressman Bill Orton's opponent was not considered a strong candidate. And 2nd District winner Karen Shepherd and Attorney General-elect Jan Graham had narrow victories, despite significantly outspending their opponents and leading substantially in the polls before Election Day.

"Even in the races we won, we had good candidates who were well-funded and they almost lost," said AFL-CIO president Ed Mayne. "We lost ground in the House of Representatives, and we came in third in the governor's race. We need to re-examine ourselves."

"We have trouble winning a statewide race, and we have not established any kind of rapport with the rural voters," said Mr. Horiuchi. "It seems we have lost any appeal to the dominant religion in the state."

Former Democratic gubernatorial candidate Kem Gardner claims that when he was considering a second try for the governorship this year, he was told by a pollster that party leaders "did not want a Mormon candidate for governor."

State Democratic chairman Peter Billings denies excluding Mormons and rejects the claim that bitter divisions are destroying the party. "When you are down, people look for excuses. The fact is, 45% of the people surveyed in Utah identify themselves as Republicans and about 23% identify themselves as Democrats. Until we change those numbers, we are

■ See B-3, Column 3

Tonight's the Deadline as U Line Up to Pay Property T

By Mike Gorrell
THE SALT LAKE TRIBUNE

Tax day is here again.

Utahns must pay property taxes by 11:59 tonight. The Nov. 30 deadline might not be loathed as much as April 15, but it still makes many taxpayers indignant — particularly those who believe the tax wrongly penalizes people for improving their lots in life.

Like it or not, thousands of Utahns will line up at county treasurers' offices around the state or put a check in the mail before midnight to satisfy this year's obligation to the tax man.

"We received a tremendous amount of mail Friday, and there were lines of people at the counter. We're expecting long lines [today] and a big bag of mail," said Box Elder County Treasurer-Auditor Carlla Secrist. "A big majority of people wait until the last day to pay."

Not all are pro
Many people keep
in the bank as lon
to milk every penn
out of it before ha
to the government

Donald Finch
avoided the last-n
by paying his prop
the Salt Lake Cour
about three weeks
did so grudgingly
went up "a hundr
lars or so."

"I don't know w
do about it," Mr.
"They [governme
don't do things
them. They jump
to save pennies
people who own pr
it."

Ms. Secrist sai
knows taxes are
much, no matter
live." Yet her cl
hear many compl
people are there j
over with," she sai



Leavitt Will Ann
New Additions
To His Cabinet T

By Dan Harrie

9 7 0 4 3 8 3 0 3 0

In September, he ran on "integrity." By November, he may be running on empty.

The Questionable Karl Snow

ANALYSIS

by Eric Schulzke

Records have come to light in recent weeks indicating that BYU Administrator and Congressional Candidate Karl Snow appears to have misrepresented his connections to convicted felon Michael Strand, Global Oil, Unique Battery, and a penny stock deal that probably cost one life and seriously disrupted the lives of others.

At present, there are [illegible] that answers. But the gravity [illegible] combined with the lack of [illegible] should concern every voter in the [illegible] Congressional District.

[illegible] initially came across the documents as a volunteer for Snow's opponent in the primary. The allegations and the documents themselves were brought to light by various individuals who had been involved with the stock transactions outlined below.

The Players

The main figure in this confusing narrative is Michael Strand, a stock manipulator twice convicted for securities fraud and most recently released from custody only a few weeks ago. Strand's *modus operandi* is to control companies from the sidelines. Global Oil was no exception. In Global, Strand's wife, Lois, was the largest shareholder while Strand himself controlled the company. (The Strands, by the way, donated about $7,000 to Snow's 1984 campaign for governor.)

Snow has said that he has "nothing to do with his companies." A more complex picture has begun to emerge, however.

Deep and Broad Connections.

• Darger's sworn affadavit in court files indicates that he was president of Unique Battery when he was introduced to Michael Strand as a man who could supply research capital. Darger has since said that Strand, in turn, introduced him to Snow. Strand described Snow to him as a person of "influence" who could get things done. Darger says that it was at Strand's urging that Snow was made a director of Unique and later of Global Oil.

• Stock reports and interrogatories indicate that only a few people received free stock in Unique Battery. At least two, a banker and a legislator, may have received stock for lending credibility, or, as an Atlas interrogatory puts it, "for separate and additional consideration other than the reorganization of Unique Battery." The banker, Lyman Smart, apparently committed suicide several months after the merger fell through. The legislator was Karl Snow.

• There is good reason to believe that Snow was instrumental in securing Strand's parole from prison after his first conviction. Keep in mind that Strand was still on parole for a fraud conviction when these events took place.

• Darger said he has been present many times with Strand and Snow together in meetings. Snow, Darger says, generally treated Strand deferentially during these meetings.

• Atlas Stock Transfer reports show Snow holding stock in '85, '86, and '87. One report shows six different stock transactions involving Snow over an eighteen month period. The mid-1986, the corporation was suspended for failure to file a report. The fact that Snow is not listed with the state in itself raises questions of impropriety. In any case, he could still have functioned as an officer during that period.

• Snow says that he has never manipulated penny stock and wouldn't even know how to do it. But that is beside the point. At the moment, the question concerns his close association with Strand and the possibility that Snow may have lent his credibility to the arrangements.

• Snow pointed out to us that some of the documents spell his name with a "C" rather than a "K." In fact, the Secretary-Treasurer, Ronald Sorth, did spell Snow's name with a "C" when he (Sorth) resigned from the company. In his resignation letter, Sorth notes that he sent a copy to "Carl Snow, V.P." Sorth was likely responsible for the company's minutes, and the misspelling in his letter would thus be consistent. However, Snow's name is spelled correctly in the stock reports and numerous other documents.

• Snow claims that his signature has been forged on these documents. Of the two signed documents in this writer's possession, one is probably not in Snow's hand, while the other almost certainly is. The "forged" signature may have been signed with Snow's approval, however, since his signature was not needed and there was no motive to forge it. Snow's actual signature appears on an agreement for the planned merger of Unique and Global.

• Snow points out that he was not named in a suit involving Global and Unique. But also missing from the list was Lois Strand, the largest shareholder. Obviously, being excluded from that list says nothing about the extent of a person's involvement with Strand.

Is exceedingly inept, but even this requires

more faith and charity than the situation allows. Even if he had done nothing illegal, such apparent misrepresentations on the part of a public figure would be cause for concern.

2) *The array of documents is impressive.* When we asked Snow about the documents, he said that they were "fraudulent." But most of them are in court files, and they stem from a variety of sources: interrogatories prepared by Strand, resignations of officers, sworn affadavits, stock transfer reports, etc. It is highly unlikely that they are phony. Mark Hofman himself would have had a hard time fabricating this one.

3) *In light of the documentary evidence, Strand's and Snow's denials are simply not credible.* On the other hand, Darger's statements are plausible and consistent with the evidence already in court files.

4) *Public figures rarely risk such misstatements unless the stakes are high.* If Snow does not promptly offer explanations, people will suspect that he is hiding something for a reason.

5) *It is in everyone's interest to investigate this matter thoroughly.* Utah is already known as the fraud capitol of America. Given that reputation, any degree of involvement in such matters on the part of public figures cannot be taken lightly.

6) *Utah's media are either lazy or understaffed.* Many newspapers and television stations have had these very documents for months. Yet most have failed to make the most elementary deductions.

7) *Only the full truth will do.* The Strand connection is not a petty matter because Michael Strand is not a petty thief. Aware that articles including this one were in the works,

with the stock transactions outlined below.

The Players

The main figure in this confusing narrative is Michael Strand, a stock manipulator twice convicted for securities fraud and most recently released from custody only a few weeks ago. Strand's *modus operandi* is to control companies from the sidelines. Global Oil was no exception. In Global, Strand's wife, Lois, was the largest shareholder while Strand himself controlled the company. (The [illegible], by the way, donated about $7,000 to [illegible]'s 1988 campaign for governor.)

[illegible] was a legitimate company [illegible] second figure, John Darger, [illegible] Darger was directed to Strand [illegible] when the company needed [illegible] became deeply involved [illegible] eventually attempting to [illegible] Global Oil in 1985. Such [illegible] stock manipulation [illegible] fell through, and law[illegible] are still pending be[illegible] the two companies. [illegible] and it will probably [illegible]s and the public to [illegible] reader who keeps [illegible] the most sig[illegible] Strand has been twice [illegible] fraud—once before [illegible] once after. He was still on [illegible] first conviction when these [illegible] (2) Karl Snow has categori[illegible] connection to Strand's busi[illegible] events surfaced. Corrupted [illegible] many people.

Snow has emphatically denied involvement with Strand's companies, ever being an officer or a director in Global Oil, or even owning stock. Only recently has he admitted to owning a small amount of stock, but it seems even these admissions are inadequate.

In the August 20 *Deseret News*, Snow makes one of several emphatic denials: "I never attended any board meeting of Global Oil. I never accepted any stock in that company, although it was offered. I haven't seen Michael Strand in four years and have had nothing to do with him." Yet Darger says Snow was instrumental in securing Strand's release from prison after his first conviction. Keep in mind that Strand was still on parole for a fraud conviction when these events took place.

- Darger said he has been present many times with Strand and Snow together in meetings. Snow, Darger says, generally treated Strand deferentially during these meetings.
- Atlas Stock Transfer reports show Snow holding stock in '85, '86, and '87. One report shows six different stock transactions involving Snow over an eighteen month period. The reports show additional stock issued to Snow's mother, Wanda, and to his son, Rodney. Snow initially denied owning any stock, but he since admitted to buying about 11,000 shares. The Atlas report shows Snow with 117,500 shares in his name and and an additional 5,666 for his mother and his son. Snow suggests that the stock was held without his knowledge. This is conceivable but highly unlikely, especially since the SEC requires frequent reporting of stock transactions *and each report lists Snow's current Provo address.*
- As late as 1988—after Strand's second securities fraud conviction—records show that Snow's 100,000 shares of Global Oil stock were transferred to M & L Investments, another Strand company. M & L likely stands for Michael and Lois, as in Michael and Lois Strand.

Obfuscations and Deflections

- Snow claims that he was never an officer, a director, or a shareholder in these companies. However, court documents and company minutes list him as a vice president, a director, and a shareholder in Global Oil and/or Unique Bakery. Snow says, accurately, that he was never registered as a director or an officer with the state. But in fact, the corporation was suspended for failing to register its officers over a lengthy period—precisely the period during which Snow apparently was an officer. The corporation filed with the state in January of 1985, and Snow was elected an officer on February 25 of that year. Finally, in previously [illegible] almost certainly is. The "Snow" signature may have been signed with Snow's approval, however, since his signature was not needed and there was no motive to forge it. Snow's actual signature appears on an agreement for the planned merger of Unique and Global.
- Snow points out that he was not named in a suit involving Global and Unique. But also missing from the list was Lois Strand, the largest shareholder. Obviously, being excluded from that list says nothing about the extent of a person's involvement with Strand.
- When asked about the documents showing Snow's involvement, Strand has claimed that Darger frequently forged prominent names. But this answer is untenable given that one of the documents, showing Karl Snow sandwiched between the now deceased Lyman Smart and Lois Strand, was an interrogatory prepared by Strand and his secretary—not by John Darger.
- Snow has carefully spoken in terms of physical presence: "I have not *seen* Strand for over four years," "I did not *attend* board meetings," etc. Darger confirms that, indeed, Snow was sometimes *not* present at the meetings. But Darger says Strand usually had Snow on the telephone during such occaisions, relating the proceedings to him as the meeting progressed.

Observations

1) *It's difficult to avoid concluding that Karl Snow has misrepresented the facts.* The only other explanation would be that he [illegible] the fraud capital of America. Given that reputation, any degree of involvement in such matters on the part of public figures cannot be taken lightly.

6) *Utah's media are either lazy or understaffed.* Many newspapers and television stations have had these very documents for months. Yet most have failed to make the most elementary deductions.

7) *Only the full truth will do.* The Strand connection is not a petty matter because Michael Strand is not a petty thief. Aware that articles including this one were in the works, Snow finally asked a CPA and a lawyer to look into the matter last week. These investigators should take care lest they find themselves defending the indefensible.

8) *Karl Snow is asking the voters to trust him.* He may be asking too much. ∆

Campus Venture

PRESENTS

The Lion's Den will be viewing six video presentations by popular campus speaker Josh McDowell. There will be discussion after the presentation.

TIME: Friday, 8:00
PLACE: Wilkinson Center, Room #394

October
Josh McDowell set out on an intellectual adventure determined to prove that christianity was a hoax. After 2 years of intensive study he emerged a man deeply commited to Christ, able to give solid evidence of his faith, and ready to share those answers with others.
12- A Skeptic's Quest
It's okay to have doubts, to have questions reguarding your faith. Josh shares how questioning actually strengthened his faith and brought him to a deeper knowledge and understanding of the scriptures.
19- Misconceptions of Christianity, Part I
26- Misconceptions of Christianity, Part II

November
The Uniqueness of the Bible
The Reliability of Scripture
Messianic Prophecy

CAMPUS VENTURE IS AN INDYNOMINATIONAL CHRISTIAN GROUP

BYU STUDENT REVIEW

DESERET NEW

141ST YEAR — No. 147 SALT LAKE CITY, UTAH THURSDA

Orton's victory gets national atte

■ Upset winner: Reporters beg Utahn for interviews.

By Lee Davidson
Deseret News Washington Bureau chief



Until Tuesday, Congressman-elect Bill Orton couldn't get most officials at the Democratic Congressional Campaign Committee in Washington to even return his phone calls. He also had to fight for any attention from the press.

But the day after Orton pulled off one of the biggest election upsets in the nation, the campaign committee was calling him to say Democratic leaders all want to meet him now. And instead of Orton begging local reporters for coverage, reporters lined up begging him for interviews.

"I haven't heard from the networks or the national press, though, except for one reporter from the Washington Post. They probably saw the results, figured they had to be wrong and expected to see a correction the next day," Orton said. In fact, CBS indeed had checked with national Democratic leaders to see if results had been reversed.

One of the people most happy to eat his earlier predictions of doom for Orton was the committee's political director, Doug Sosnick.

"I met with Orton several weeks ago for an hour here in Washington. I remember telling him, 'You're bright, you're a good candidate, you're working hard. But let's face it: There's no way you're going to win in *that* district,' " Sosnick said. The party in turn gave Orton little help, figuring it was a lost cause. When Sosnick called Orton Wednesday, Orton greeted him saying, "I told you to someboo

Sosnick ton's win Democrats mean, it's the nation won big. H tion here than anyon

Sosnick want to m out how h could help assignment Ways and

But Orto Washingto those peop

On the inside

■ Roundup of voting in the West/A2
■ U.S. turnout hits 50-year low/A11
■ Nielson accuses anti-Snow group of unfair election tactics/B1
■ Street reaction to Orton win/B1
■ Deseret News pollster astounded by Republican crossover/B2

Utah Demos take delight in flexing new muscles

■ Victories: Party chief sets his sights on governor's seat, '92 U.S. Senate race and redistricting plans.

By Wil Grey
Deseret News staff writer

Utah Democratic leaders were openly jubilant at a Thursday press conference called to showcase the Democratic element of Utah's congressional delegation — 2nd District Rep. Wayne Owens, who won an easier-than-expected contest, and miracle

take delight in flexing new muscles

■ Victories: Party chief sets his sights on governor's seat, '92 U.S. Senate race and redistricting plans.

By Wil Grey
Deseret News staff writer

Utah Democratic leaders were openly jubilant at a Thursday press conference called to showcase the Democratic element of Utah's congressional delegation — 2nd District Rep. Wayne Owens, who won an easier-than-expected contest, and miracle worker 3rd District representative-elect Bill Orton.

State Party Chairman Peter Billings said Democrats very possibly could have swept Utah's representative contests if national Democratic leaders had been willing to pump additional cash into the campaign of Kenley Brunsdale in the 1st District race, which was narrowly won by incumbent Republican Jim Hansen.

Billings said the Owens and Orton victories, combined with Brunsdale's strong showing, have definitely set the stage for showdowns in the races for governor and the U.S. Senate in 1992. And, Owens predicted, the Democratic success is likely to throw a monkey wrench into redistricting plans of the Republican-controlled Utah Legislature.

"Our House of Representatives slate is set with Wayne (Owens), Bill (Orton) and Kenley (Brunsdale) if he returns, and he said he will be back," Billings said. "This should help us in our effort to recruit good governor and Senate candidates."

Billings is also optimistic that Utah's election results will attract more national money for 1992.

Orton said he hopes his wi will convince other would- Democratic candidates that

Please see DEMOS o

People, ce

Judds will go home to ap
when plaza's named after

Naomi and Wynonna Judd will return to th
hometown of Ashland, Ky., for the renaming o
16th Street Plaza in their honor.

The mother-daughter singers, recipients of the
Country Music Association's Duo of the Year awa
for seven straight years, will be honored Nov. 20.
The plaza will be renamed Judd Plaza.

The pair, whose hits include "Mama, He's Crazy"
and "Grandpa," also will serve that day as grand
marshals of a Christmas Parade.

Naomi Judd has announced plans to retire after
their latest concert tour because of hepatitis. Her
daughter will continue a solo career.

Letterman calls cops on fans

David Letterman, whose New Canaan, Conn.,
house has been broken into six times by a fan,
called police when he found a pair of autograph
seekers waiting in his driveway.

No charges were filed in the incident, which oc-
curred about 2 a.m. Saturday, authorities said.
Police said they didn't know if the fans got the
talk show host's autograph.

Margaret Ray of Crawford, Colo., was sentenced
to a year in prison after breaking into Letterman's
home for a sixth time in March. She told authori-
ties at one point that she was Letterman's wife.

Donahue will go to dying city

discontent
bents out

of Oregon, speaks
Nave Frohnmayer.

AP photo

...itutional problem over property ... which could lead to higher taxes ... — could be solved through an ...nting sleight of hand, legislative ...ers now say.

No final decisions have been made, but the problem over how large mines, utili-

...ating a new, broad-...

The problem is very co... Sen. Lyle Hillyard, R-Logan, co-chair... of the Legislature's Interim Committee ... Revenue and Taxation, thinks he's found ... way to keep property taxes on homes ... current levels while forcing the large pr... nesses to pick up the $50 million in pro... erty taxes they're seeking to avoid ... new or higher taxes.

Snelgrove won't pursue allegations

■ **3rd District:** GOP chairman says accusations about Snow are 'distorted representations.'

■ *Candidates Karl Snow and Bill Orton come under fire. See related stories on B4.*

By Bob Bernick Jr.
Deseret News political editor
and Brooke Adams
Deseret News staff writer

...State Republican Chairman Richard Snelgrove said Monday he won't form a panel to look into allegations that 3rd District GOP candidate Karl Snow worked with penny stock promoter Michael Strand to cheat investors out of money. A new group sprang up last week — Dialogue for Political Government — and released documents that Snow knew or should have known that Strand's stock promotion ... would end in financial ...

Snow then asked Snelgrove to impanel a judicial panel to look into the matter ... Snelgrove first said he would but later changed his mind. ... incomprehensible to assemble a ... to twice unnecessarily respond to ... distorted representations made by ... and fanatics who are involved in ... political conspiracy with Bill Orton (Snow's Democratic opponent) and the

Please see SNOW on B4

Reseed



Soil conservation officials trail behind the b...

■ **Wasatch Mountains** ... 2,600 acres will be reseeded ... to prevent erosion, provide ... winter foliage for wildlife ...

By Steve Fidel
Deseret News staff writer

MIDWAY — Crews began a reseeding project Monday on 2,600 ... 100,000 ...

3760 So.
Highland Dr.
#200

RT TIME NOW

15% off

SNOW

Continued from B1

Democratic leadership in their attempt to hinder his election," said Snelgrove.

Orton vehemently denies that he has anything to do with Utahns for Ethical Government. Orton steadfastly refuses to talk about Snow's stock dealings.

"What you are witnessing is the thrashing of a man drowning in his own bad publicity," Orton said. "All of the allegations have been raised by people from Snow's own past and members of his own political party. It is evident that Snow is trying to create a smoke screen to divert attention from his own problems and attempting to shift the political stench onto me."

Snelgrove places all the blame on O[illegible]

"It is time for political fairness. I ask Bill Orton to come out of the closet, toss up and admit he knows that his only chance of winning is to paint Karl Snow as someone he is not. Mr. Orton, you should be ashamed of stooping to such gutter depths of political slander. This scurrilous character assassination for your political benefit is too offensive to deserve any further comment, review, or discussion," said Snelgrove.

Orton said in a release Monday his campaign is "moving forward on the real issues facing our future. ... I'm more concerned with our future than Karl Snow's past."

Snelgrove said Orton and Democratic leaders "admitted" in a poll that if they can paint Snow as a "penny stock cheater who is in cahoots with a convicted felon" that it will improve Orton's chances of winning the election.

Snelgrove also said it was "not surprising that Orton's signature is on the checkout form of the court file of Unique Battery in the courts clerk office, clear back during the primary [illegible] by local businessman Ken Murdock," Snelgrove said.

"Why did Orton spend much of Thursday morning at Murdock's brother's home?" he asked.

"Talk about a smear campaign," said George Murdock, Ken Murdock's brother, when asked about Snelgrove's comment. George Murdock, a Republican who lives in Orem, said he plans to vote for Orton but has nothing to do with Utahns for Ethical Government.

"My brother does his thing, I do mine," George Murdock said. "There were none of those brochures handed out and that group wasn't talked about. ... That was a meeting of my friends who did not know what they were going to do this election. ... Bill Orton is absolutely not involved in that group, nor am I."

Orton finds it interesting that "Snow's campaign is following me. I find it sad commentary on the depths to which Mr. Snow has sunk

WHOLE HOUSE SPECIAL
$59.95
FREE tune up to 6 rooms

$12.95
PER ROOM
3-Room Minimum

566-5279 or 571-7848

ARSHAWS

$0 FALL FURNACE SPECIAL
day or night

AY & NIGHT IS
THE FURNACE
THAT CHUCK
ER SAYS IS
ITH THE RIGHT
TO LAST!"

COMPLETE FURNACE TUNE-UP
• Complete Safety Check • Lube and Oil Blower • Inst. New Filter • Adjust Flame & Valve
24.95 COMPLETE

DAY & NIGHT FURNACE
Efficient
Quiet
Reliable

A hearing problem could be a *medical* problem.

Complete hearing evaluations, by licensed, certified audiologists.
FREE hearing screenings

UTAH COUNTY
MOVIES

Utah ethics group demands Snow retract 'damaging' words

PROVO — The spokesman for Utahns for Ethical Government demanded a retraction from 3rd Congressional District candidate Karl Snow Monday for publicly referring to the organization as a group of "convicted felons, known criminals, polygamists and other corrupt lawbreakers."

Spokesman Scott Norton contacted Provo attorney Sheldon R. Carter "to pursue legal remedies" in reference to the comment, which the group claims Snow made in a letter sent to Richard Snelgrove, chairman of the state Republican Party, that was quoted in local newspapers.

In a letter to Snow delivered to his campaign headquarters Monday, Carter said "such statements are damaging to a person's character" and that the statement, at least in reference to Norton, was false.

"I know the concerns of 'Utahns for Ethical Government' presently is disturbing to yourself and your campaign, but a citizens group should not be labeled and penalized wrongly for the expression of their concerns for ethical leadership," Carter said.

Norton wants Snow to make a public retraction of the comment and to send the retraction to each member of the Utah media "to mitigate any damages."

"I find it very disturbing that rather than answer our questions, Snow attacks us," Norton said.

Utahns for Ethical Government does include Percy Ealt, who was convicted for firebombing convicted stock promoter Michael Strand's home, and John Darger, a self-acknowledged polygamist.

Snow campaign spokesman Clark Caras labeled Norton's demand a "cheap ploy" and said Snow did not make the comment in question.

"One thing Mr. Norton needs to realize is as the pseudo head of this so-called group of Utahns ... Mr. Norton has made himself a public person," Caras said. As a public person, Norton is open to comment about the group he is associating with, Caras said.

...I ...fact of the ...admit he knows ...chance of winning is to ...Snow, as someone he is ...Orton, you should be ...of stooping to such gutter ...depths of political slander. This scurrilous character assassination for your political benefit is too offensive to deserve any further comment, review, or discussion," said Snelgrove.

Orton said in a release Monday his campaign is "moving forward on the real issues facing our future. ... I'm more concerned with our future than Karl Snow's past."

Snelgrove said Orton and Democratic leaders "admitted" in a poll that if they can paint Snow as a "penny stock cheater who is in cahoots with a convicted felon" that it will improve Orton's chances of winning the election.

Snelgrove also said it was "not surprising that Orton's signature is on the checkout form of the court file of Unique Battery in the courts clerk office, clear back during the primary campaign."

Orton did not respond to that allegation.

Snelgrove also railed on Orton's efforts to distance himself from Utahns for Ethical Government and an "absurd" insert they distributed last week in the Provo Daily Herald. The insert, which reiterated allegations about the depth of Snow's involvement with Strand, was paid for by local businessman Ken Murdock, Snelgrove said.

"Why did Orton spend much of Thursday morning at Murdock's brother's home?" he asked.

"Talk about a smear campaign," said George Murdock, Ken Murdock's brother, when asked about Snelgrove's comment. George Murdock, a Republican who lives in Orem, said he plans to vote for Orton but has nothing to do with Utahns for Ethical Government.

"My brother does his thing, I do mine," George Murdock said. "There were none of those brochures handed out and that group wasn't talked about. ... That was a meeting of my friends who did not know what they were going to do this election. ... Bill Orton is absolutely not involved in that group; nor am I."

Orton finds it interesting that "Snow's campaign is following me. I find it a sad commentary on the depths to which Mr. Snow has sunk in this campaign when he questions the motives of a meeting with (Republicans) from Utah County."

In another twist, Snelgrove said that Orton shares office space with Daniel Darger, brother of John Darger, a polygamist and sales manager of Unique Battery.

"He (Dan Darger) is also the same man who told the independent attorneys committee that 'Karl Snow did nothing wrong.'"

Daniel Darger is out of town. His secretary said Darger and Orton share an office suite but aren't associated. A third attorney sharing the suite is Ralph C. Petty.

Petty represented some clients who sued Strand over a business matter. Petty told the Deseret News he did not think Orton ... Strand and that he had not discussed his cases with Orton.

In 1985, Strand — who has been convicted of income tax evasion and mail fraud in other stock dealings but not in the Global Oil deal — offered Snow a position on Global's board and 100,000 shares of free stock. Snow did attend some of the early business meetings concerning Global Oil, which was going to buy out Unique Battery, a firm that made a new kind of car battery. However, Snow never officially was listed as an officer of the company, didn't accept the board of directors post or the 100,000 shares of stock, even though it was later issued in his name.

The merger of the Global Oil and Unique Battery ... and a number of stockholders lost their investments.

No criminal complaints have been issued over Global's failure, although there is continuing civil action. Snow has never been named in any civil action, court records show.

Snow denies any wrongdoing. An independent group of attorneys, before the Sept. 11 GOP primary between Snow and John Harmer, investigated both men's finances and backgrounds. They cleared Snow. Snow later paid an attorney and certified public accountant to look into the matter. They also cleared Snow.

ONE ON ONE
NESS TRAINING
arry Scott 298-2678
0 West Center N.S.L

PETS DONE RIGHT
$12.95 PER ROOM
5-5279 or 571-7848

A hearing problem could be a medical problem.

complete hearing evaluations by licensed, certified audiologists.
FREE hearing screenings.

UTAH COUNTY MOVIES

...der," ★★½, rated PG-13 (violence, sex, nudity, profanity), 12:25, 5:20, 7:40 and 10:05 p.m.; "Air America," ★½, rated ... (violence, profanity, vulgarity, drugs), 12:05, 2:35, 5:05, 7:35 and ... p.m.; "Ducktales: The Movie — Treasure of the Lost Lamp," ★★, rated G, 1:15, 5:15 and 7:20 p.m.

Orem

...ity 4 Cinemas, 858 S. 700 East, 224-0822. "Dr... PG-13 (violence, sex, partial nudity, profanity, vulgarity), ... Heights," ★★★, rated R (violence, sex, nudity, ...

...for a complete review of each ...

BILL ORTON
FOR CONGRESS

THINGS ARE CHANGING...



What's Going On In Washington?

The Budget Deficit continues to skyrocket! Tomorrow's Social Security benefits are being squandered on today's debts! The S&L debacle is robbing hundreds of billions of dollars from the taxpayers! Health care costs are preventing millions from obtaining even basic care! Drug abuse is draining the life blood from our cities!

Today our country is facing some tough problems and many people have lost confidence in Congress' ability to do anything.

We can choose to do nothing but talk, or we can act!

To find real solutions, we need creative leadership, innovative new ideas, and a representative in Congress whose voice will be heard.

We need Bill Orton in Congress.

Working For You In Washington

Bill Orton will fight for fiscal responsibility in Washington through:

- Deficit reduction and a balanced budget.
- Realignment of spending priorities.
- Protecting social security trust funds by removal from the budget.
- Substantive tax reform for fairness and simplification.
- Welfare and entitlements reform to help only those who can't help themselves.
- Defense reform (including allied costs sharing).
- Reform of federal guarantee programs to prevent another S&L type crisis.

Developing Utah's Economy

Utah's Third District ranks among the lowest in the country in per capita income and among the highest in taxes as a percentage of income.

We don't need higher taxes! We do need real economic development — not just out-of-state big businesses that come to Utah to exploit our well educated but low paid work force and take the profits and run.

Bill Orton supports:

- Exporting Utah products — not children
- Development of Utah-based business
- Creation of new high paying jobs
- Higher wages

Unfortunately, the Third District's chief export is its highly educated children. We must develop our economy so our children can find opportunities here rather than going elsewhere to earn a living.

9704383047

A Congressman Who Will Make A Difference

9704383034 8

Background:

- *Bachelor of Science, BYU*
- *Juris Doctorate, BYU*
- *Licensed Real Estate Agent*
- *Licensed Title Insurance Agent*
- *Auditor, Internal Revenue Service*
- *Active in church and community*
- *President, Homeowners Association*
- *Member, Great Western Trail Committee*



Qualifications:

- *Tax Attorney in Utah and Washington, D.C.*
- *Chairman, Advisory Board, Real Estate Tax Institute, Washington, D.C.*
- *President and Board Chairman, Tax Training Institute*
- *Founder and Charter Member, American Inn of Court I*
- *Member, ABA Tax Section, Tax Policy Sub-committees*
- *Member, ABA Tax Section, Passive Loss Task Force*
- *Member, ABA Tax Section, Profits Interest Task Force*
- *Adjunct Professor of Tax, BYU Law School*
- *Adjunct Professor of Tax Accounting, Portland State University*
- *Teaches continuing education courses for CPA's and attorneys in 35 states around the U.S.*
- *Advised Members and Staff of House Ways & Means and Senate Finance Committees and the U.S. Treasury Department on tax laws and regulations*

BILL ORTON
FOR CONGRESS

420 N. Freedom Blvd., Suite #7
Provo, UT 84601
Telephone (801) 374-1990

Paid For By Orton For Congress Committee



Improving Education In Utah

Building character and strong moral fiber is a job that begins at home. The strong family values which exist in Utah give our children a head start on the education process. But our class sizes are among the highest, and the amount we spend per pupil is among the lowest in the country.

Bill Orton proposes:

- Increased federal funding for education.
- Smarter spending of scarce resources.
- More involvement in education decisions by teachers, school boards, and the PTA.





Conserving Utah's Environment

Utah's Third District is one of the most beautiful and pristine areas in America and the world. Like all of us, Bill wants to preserve this beauty and lifestyle for future generations.

Bill believes that we can work together to clean up our air and water without closing businesses and losing jobs. We must also protect environmentaly sensitive areas while ensuring public involvement to guarantee multiple use of public lands.

Controlling Medical Costs

Millions of Americans can't afford medical insurance or even basic medical care. Expectant mothers, families with children and the elderly all live in fear of accident or illness which could drive them into bankruptcy. Or worse, essential medical care may not be available because of inability to pay.

Bill Orton Proposes:

- Designation of hospitals as trauma, diagnostic, transplant, short-term, and long-term facilities.
- Limitations on fees and expenses paid by Medicare and Medicaid.
- Health insurance reform.
- Reform of malpractice laws.

9704383049

CLARK
MEMORANDUM

This article crossed my desk. Thought you might like a copy. -Joan

CONTENTS SPRING 1991

Humor in Law Teaching 2
James D. Gordon III

Values 10
Elder Dallin H. Oaks

How to Win Friends and Influence Republicans: The Remarkable Campaign of Bill Orton 16
Charles D. Cranney

Keeping the Weightier Matters of the Law 24
Elder Marlin K. Jensen

Christianity and the Mad Dog Litigator 30
David G. Campbell

Memoranda 36

H. Reese Hansen
Dean

Scott W. Cameron
Editor

Charles D. Cranney
Associate Editor

Linda A. Sullivan
Art Director

John Snyder
Photographer

Jonathan Skousen
Typography

Joyce Janetski
Assistant Copy Editor

Thomas H. Cutler
Mike Bothwell
Editorial Assistants



SPRING 1991

The *Clark Memorandum* is published by the J. Reuben Clark Law Society and the J. Reuben Clark Law School, Brigham Young University.

Copyright 1991 by Brigham Young University. All Rights Reserved.

Cover Painting of J. Reuben Clark, Jr., by Alvin Gittins, 1922–1981

HOW TO WIN

FRIENDS AND

INFLUENCE A

REPUBLICANS

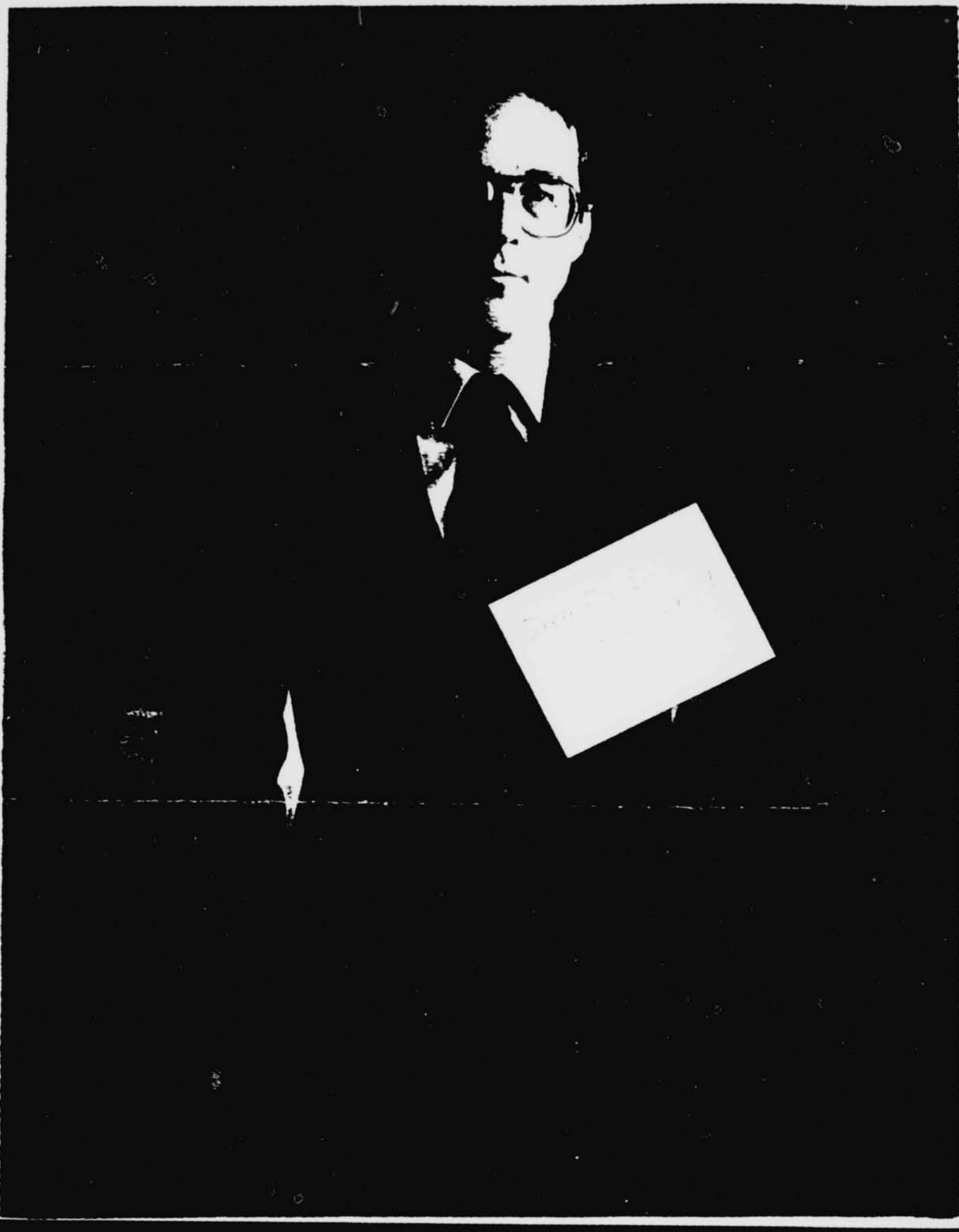
The Remarkable Campaign

of Bill Orton

by Charles D. Cranney

IT WAS REMARKABLE. Democrat Bill Orton, 58 percent, versus Republican Karl Snow, 37 percent. Bill Orton didn't just win the congressional election; he won it by one of the largest margins of any non-incumbent contest in the U.S.—and it was in Utah's Third Congressional District, considered by experts the most rock-solid Republican region anywhere. • But it is even more remarkable that BYU Law School graduate Orton ran for public office at all. Just 10 months earlier the thought hadn't crossed his mind, ever. • Most Democrats in the political arena hadn't even heard of him. After the election everyone was asking, "Who is this guy? Where did he come from?" In answering those questions, one will find an uncommon story, a story of a uniquely prepared individual who offers a cadre of talents to the 102nd U.S. Congress. • At the age of 16, Orton was a studious high school senior in Ogden, Utah, when the Internal Revenue Service opened up a large service center

9704383030



there. There weren't enough people to staff it, and so managers recruited at the local high schools for four-hour evening shifts. Enter Bill Orton.

His experience with the IRS convinced him that he really wanted to be a tax attorney. After serving a mission for the Church in Oregon, he finished his undergraduate studies at Brigham Young University in 1973 in anthropology and archaeology—the whole time working for the IRS.

"I didn't have a lot of money saved up to go to law school right after graduation," said Orton, "so I moved to Oregon and worked with the Internal Revenue Service. I planned on going to night law school at Lewis and Clark."

With training, traveling, and working, Orton never made it into night school. After a four-year IRS stint in Oregon, the time of decision came.

"I had a nice house, a little sailboat (I lived on a lake), and an airplane and was flying all over the place," he said. "I realized that at 27 years old I had peaked out at the Internal Revenue Service. I'd have to stay at my level for another 30 years before I could even think of retiring. That didn't strike me as very fun, so I quit and came to the BYU Law School in 1977." Most would consider Orton's law school experience atypical:

"Law school was purely pleasurable. I loved every minute of it. The first year in law school I didn't even check to see what my grades were. I knew what I'd be doing when I graduated, and I didn't care about grades as long as I was passing."

With a clear vision of his law future, he took every law class offered in tax and business. While still in school he started a business in Oregon that provided tax and business law educational materials.

Graduating in the top third of his class in 1980, his practice burgeoned, and he soon became of counsel at Parker, McKeown, and McConkie in Salt Lake City and at Merritt & Tenney in Atlanta. He also served as in-house counsel for a privately held forest-products company and taught tax seminars across the nation. His clients were from all areas of the United States—"from Anchorage to Miami and from New York to Honolulu," he says.

His love for the law seems only exceeded by his love of teaching the law. And he is a good teacher—as the more than 15,000 tax professionals who have now taken courses from him will attest. In 1986 he served as an adjunct professor at the J. Reuben Clark Law School, teaching seminars on real estate tax planning and the 1986 Tax Act.



BILL ORTON NEAR HIS HOME AT SUNDANCE.

Not a stranger to Washington, D.C., he has worked with congressional staff members of the House Ways and Means and Senate Finance Committees. On the American Bar Association, he served on tax policy subcommittees that evaluated legislation before Congress. Many of his clients also come from Washington, D.C.

So at the beginning of 1990 Bill Orton was going along at a fast clip. He loved his work. He was paid well. He was satisfied. And he had no intention of running for any political office.

In February 1990 he was in Hawaii teaching a tax conference. He mentioned the problems with tax legislation and the savings and loan debacle it helped create during the last decade, glibly remarking that the United States needed elected officials with a broader vision, those who could see "more than just the tip of the iceberg."

After the conference several people, many of whom had been to Orton's seminars before, cornered him. They said, in essence, "We've been listening to you for years. You understand what's going on. You certainly have the knowledge and the ability. You could do something about it."

He retorted, "I am. I go back frequently and talk to Congress members and their staff and try to educate them and show them some solutions to the problems."

Then this group dropped the question, "Yes, but why don't *you* run for office?"

Orton scoffed. "You must be kidding! No way in the world! You have to give up your private life. You have to take a cut in pay. Nobody likes you. Everybody's always yelling at you. You can't satisfy anybody. You've got to run for election every two years. I can't think of any reason I'd want to run for Congress."

After the conference, Orton stayed in Hawaii for a couple of weeks. Trying to relax, he lay on the beach and went hiking through the rain forests, but that conversation kept haunting him.

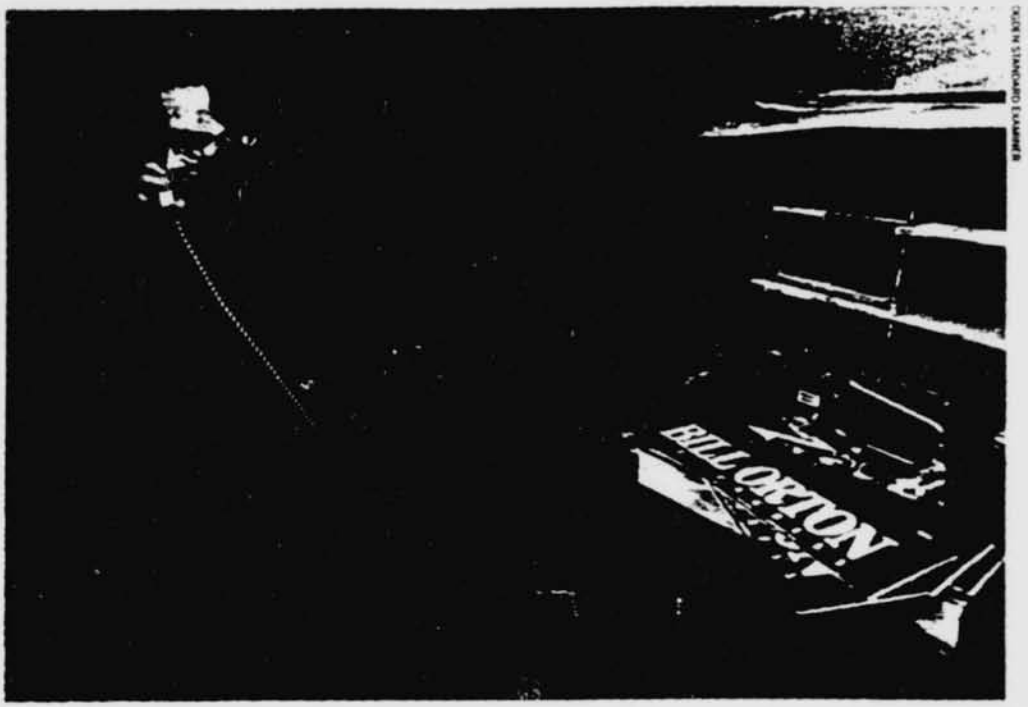
"The whole time I kept thinking that maybe I had some sort of obligation to give back to the system, an obligation to serve the public."

Returning to his home above Sundance in Provo Canyon, Orton noticed the paper listed several people who had announced candidacy for the Third Congressional District. He hadn't realized that Congressman Howard Nielson was retiring. (When Nielson had first run for office, Orton contributed to his campaign.)

He knew former Utah Governor Scott Matheson and lone Utah Democrat Congressman Wayne Owens (whom he took a legislative processes class from at the Law School in 1978), so he went to Salt Lake City to talk

9704383052

9704383035 3



OGDEN STANDARD EXAMINER

AFTER ANNOUNCING HIS CANDIDACY, BILL ORTON SOON DEVELOPED AN EFFECTIVE CAMPAIGN

about campaign prospects.

"They were both extremely supportive and said, in essence, 'If you can find reasons to run for office other than winning, then we encourage you to do it, but you need to know that you probably don't have any chance at all of winning because of your district's political make-up.

Orton's parents and friends were shocked he was considering a congressional campaign. His mother's first reaction was, "I don't like politicians."

"I'm not a politician," Orton rejoined, "but somebody's got to do it."

After gathering information from those in the political arena and members of his family, Orton went back to Sundance to think.

"I live in this district. I know the people here. I know their concerns because the same issues concern me. If I were to choose someone to be my representative in government, what would I want? I'd want someone young enough, excited enough, with fire in the belly about the process, and the desire to go back and really get involved. Yet I would want someone with knowledge and experience. I would want someone who was streetwise—[illegible]. I would want someone who had the knowledge in doing—talk—and being involved with the people.

"The problem with many politicians," Orton mused, "is that if you ask them a question at the end of the speech and you've heard a lot of words, but no answer back to you. One thing I admired about Ronald Reagan, though I often disagreed with him, was that he would just flat out tell you where he stood. He was straightforward, and people liked him even if they disagreed with him."

So Bill Orton decided to get out and be determined to be forthright and to work hard. After announcing his candidacy, a successful pattern was developed.

He called chambers of commerce, county commissions and city councils in the communities of [illegible], Provo and others before a scheduled appointment with these political groups. Orton would go into the cities a few hours earlier and visit informally with business owners. These businessmen would tell him their problems, how they felt about the federal government, what they thought the government should be doing or not doing. Then he would meet with the commissions and councils, talking about their communities. After the meetings he'd proselyte, walking up and down the streets, knocking on doors and talking to people.

"At every group, when I finished with them, were warm and friendly, saying, 'Yes, you understand these problems. We need people like you in Congress.'

During the campaign Orton went through the district more than 10 times doing all the grass-roots campaigning that he could. He knew he would not raise much money for advertising and marketing. (He only spent about a third of what his Republican opponent spent.) Most of the financial

9704383054

load was shouldered by Orton himself, spending thousands of his own money.

I went to some political action committees for money and support. Many of them didn't even wait until I was out of the office to laugh. They'd open the almanac of American politics and read the next one that says my district was the most Republican district in the United States. I tried to explain that it's one of the most conservative districts. Until now, the Republicans are the only ones that have put up conservative candidates, but I am conservative," he said. "The people will vote for me."

Orton's campaign was unwittingly aided by the intense bickering and fighting among his Republican opponents that started even before the Republican convention and didn't end until weeks after the November election.

Early on Orton went to the press. "I think the public deserves someone who cares more about the problems facing us in the future than the problems facing their opponents from the past. I simply won't get involved in that. I will not comment on it. I will not use it in an election. I will debate it in a debate. I will deal with issues only."

Later, when Karl Snow became the Republicans' chosen candidate, Orton commented to a local newspaper, "I decided I would not go to Congress worrying about the back of Karl Snow and pushing his face in the mud. I've refused every opportunity to run a dirty campaign. I've not done it. I don't want to go to Congress that way. If the public wants a dirty campaign, then they don't want me. If I have to abandon my personal values to win, then I don't want to be a congressman."

Since the early summer, local polls had shown Orton gradually catching up with the Republican contenders, finally surpassing John Harmer right before the Republican primary in September. In the same poll, Orton was still trailing Karl Snow by a substantial 27 percentage points (Snow—53 percent, Orton—25 percent).

When John Harmer lost the Republican primary, some of his distraught devotees continued the barrage against Karl Snow that had been all-too prevalent in the primary campaign. "Republicans for Bill Orton" T-shirts started popping up everywhere.

Still, Orton's gradual rise in the polls didn't seem to dampen the confidence of some Republican strategists in Utah's third congressional district. They seemed to have read the almanac of American politics, too. A Democrat couldn't possibly win in this congressional district.

Orton was frustrated when his Republican opponent refused several debates and didn't show up at the KBYU television debate. KBYU aired the one-sided debate anyway, and it was rebroadcast later.

"I think that kind of arrogance turned people off," said Orton. "The people got tired of the sniping, and they got tired of someone who really wouldn't be straightforward and debate the issues."

On October 7 the local newspaper poll showed Karl Snow increasing his lead to 28 percent. "Our small internal polls showed that I was still gradually gaining," said Orton. He noted that the October poll gave Karl Snow some needed momentum to go to



TRENT NELSON

ORTON CELEBRATES HIS VICTORY WITH HIS MOM AND DAD. WHEN ORTON'S MOTHER FIRST HEARD HER SON WAS THINKING OF RUNNING FOR CONGRESS, SHE SAID "I DON'T LIKE POLITICIANS. NOW THERE'S AT LEAST ONE THAT SHE LIKES.

9704383035

Washington, D.C., and "come home with a suitcase full of money" that he couldn't get before.

"There was no way in the world I was that far behind Karl Snow. Never. Up until then I had had a lot of faith and trust in Dan Jones [the local pollster]. This time he was cooking the books," a feisty Orton said. "If he wants to justify his polls, I'd love to see his data—what districts they were testing."

During the final weeks the Republican strategists (not so much Karl Snow as everybody around him) and others engaged in an acrid attack against Orton, with even public officials getting involved in questionable "exposés." For example, the Utah State Tax Commission decided to disclose a six-year "dispute" they had had with Orton about paying a tax on his Mercedes-Benz.

"When I discovered last May that this problem had not been resolved, I went to the tax commission and said, 'Look, I don't want this to become a political issue. I thought it had been resolved. What do we need to do to get it resolved?' They told me in order to get it back into the appeal process I needed to write a check for *x* amount of dollars and a letter requesting an appeal. I wrote the letter, made out the check, gave it to them, and thought it was back in the appeal process."

One week before the election the Utah State Tax Commission publicly disclosed an "inaccurate description of what was taking place," according to Orton.

"It was outrageous, absolutely outrageous! When a branch of the state government gets involved to destroy a federal campaign, that smacks of a Watergate-type action. If I were the governor, I would dismiss every one of them for that action alone. I think it is a breach of their public obligation."

But he doesn't feel that was the only problem with the tax commission. "I've worked with state tax commissions in half the states of this country and for the IRS in nearly all the districts in this country. The *worst* government entity I have ever had to work with in any state or federal branch of government is the Utah State Tax Commission. They completely ignore the rules. They completely ignore the facts."

It's true that Bill Orton, in the public view, stayed above the foofaraw, unwilling to capitalize on trivial, unclear allegations against his opponent. But when attacked personally, on groundless allegations, his attackers had better learn to duck.

Perhaps what frustrated Orton the most were the continual sorties against his marital status. The voters were annoyed, too.

The exploit-Bill-Orton's-marital-status strategy backfired. His opponent, Karl Snow, seemed to focus more on his own marital status (married with children) in some of the debates but was often heard joking, tongue in cheek, about Orton's bachelorhood. Others were more vocal and much more malicious.

Four days before the election, Karl Snow's financial chairman, a former Law School compatriot with Orton, insisted on being quoted in the paper verbatim as saying that because of Orton's age (42) and his never being married, "Bill Orton is not fit for life, much less Congress."

"I'm very disappointed in him," said Orton. "I liked him in law school. Those are the kinds of things in a campaign that hurt—when people you know make uncalled for comments like that. It's discouraging, politically, to see that there are people around who will do absolutely anything [to get their candidates in office]. I won't do that."

Orton insists, though, that the negative campaigning against either candidate didn't really help him. He felt he "would have been even further ahead without it." And it left a bitter taste in the mouths of the entire Third Congressional District.

With two days to go a now infamous full-page ad appeared in the *Utah County Journal*. The ad showed a Karl Snow family portrait with the caption "Karl Snow and his family." Next to that picture was one of Orton, all alone, with the caption "Bill Orton and his family." The ad continued: "Some candidates want you to believe that their personal values don t [sic] matter. Most issues facing the United States Congress seriously affect our families. Values do matter! Vote Republican." And then, in smaller type at the bottom: "Paid for by the Utah Republican Party."

The ad proved to be an affront to the voters and was unapproved by Karl Snow (though it seemed to follow the general strategy mentioned earlier). Republican campaign specialists began playing the equivalent of "who stole the cookie from the cookie jar?" trying to find out who had placed the ad. Prominent elected Republicans were quick to criticize. "I was totally offended by the ad," Senator Orrin Hatch said later. "I've seen a lot of stupid things in politics, but this ad was the stupidest thing I've ever seen."

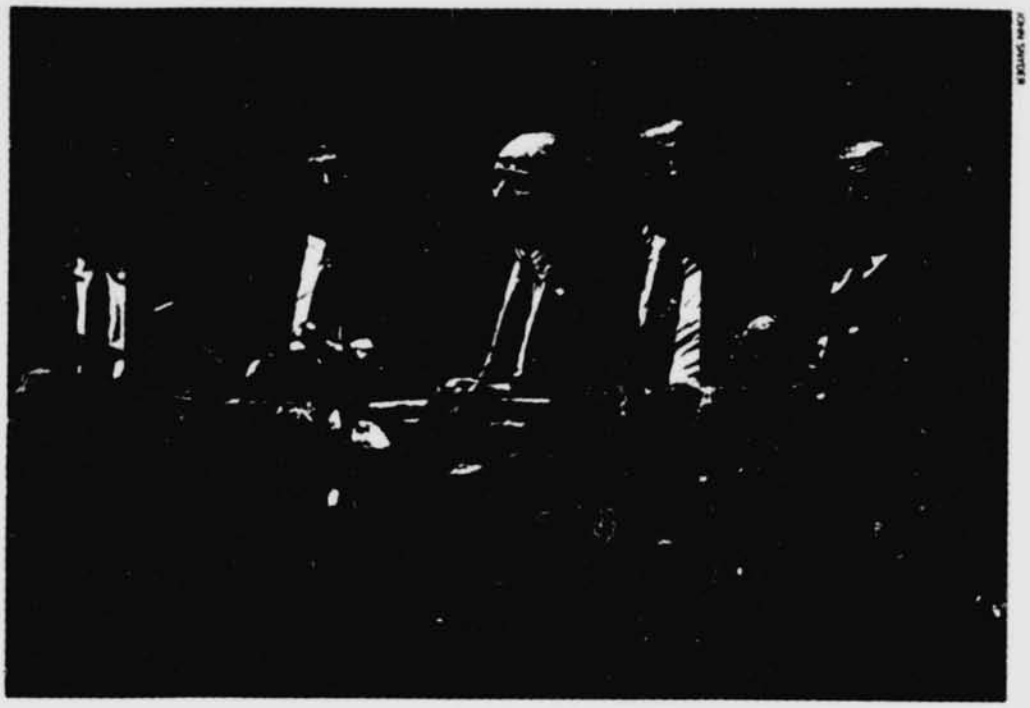


ORTON RECEIVES A CONGRATULATORY CALL FROM HIS SISTER.

Orton considered the ad a favorable sign. "The first time I felt that I was going to win was when I opened up the *Utah County Journal* on Sunday before the election and saw the ad against me on the back page." He felt that the Republicans must have been desperate to run such an ad.

The Dan Jones' poll showed that

9704383035 56



JOINING SEVERAL UTAH POLITICIANS, CONGRESSMAN ORTON VISITS THE BYU MARRIOTT CENTER DURING RONALD REAGAN'S ADDRESS THERE.

Orton was 14 points behind. Snow. "The polling we were doing in-house showed me way ahead," said Orton. "I thought, How on earth can our polling show us at 58 percent and Dan Jones has me 14 points behind? Something was wrong. Again.

The last days proved to be the grand crescendo to Bill Orton's campaign. He went to shopping malls arranged honk-and-waves on the road and went everywhere he could to find a crowd.

"On election day, 90 percent of the people I shook hands with knew me. They said, Bill Orton, I just went and voted for you! Hey, you're going to make it. I thought a half of the people who told me they voted for me were actually telling the truth. I've got a chance of winning.

"On election night I thought that it would be close, that I had a chance of winning. When I heard the results of David Magleby's exit poll, it blew my socks off. I had no idea that I was that far ahead."

Many press reports that came after the Tuesday election concentrated on comments from disgruntled Democrats that party nominee Dan Jones and campaign manager Glenn Cook had run inept campaigns. Orton, the first Democrat Republican incumbent in Utah.

But Orton's win was mostly [illegible] political party. It was an indication that [illegible] with whom the people [illegible] a dream that the district had a chance of winning [illegible] political professionals. It meant that people wanted more than [illegible] their representative. It showed that the influence of the [illegible] with [illegible] something many of Orton's opponents may have overlooked.

In the two months after the election proved to be a hectic but [illegible] the campaign.

First, setting up the office as a [illegible] congressman and [illegible] it going. [illegible] staff, [illegible] everything [illegible] running. There is no money for staff, no office space, or mail. After the election I got hundreds of letters from the constituency," said Orton. "There was no budget for it until January 3. It all came out of my own—secretarial work, staff people, office equipment, mail, stationery."

Then there was the December orientation for the new members, where the Democrats and Republicans elected their leaders and looked at goals for the next session of Congress—talking about issues likely to come up and bills that might get passed.

"When we were introducing ourselves to freshmen congressmen, telling them our background, I was proud to tell them that I graduated from the BYU Law School," said Orton. "I'm proud to have gone to BYU and graduated from the BYU Law School. I will wear it as a badge of honor."

The LDS connection provided some motivation for Orton during the campaign. There are three of us in

9704383057

the House who are LDS that were elected this session: myself, Dick Swett from New Hampshire, and John Doolittle from California. We are friends and were spending time doing things together. Other members of Congress would look at us and say, 'Wait a minute, we've got two Democrats and a Republican over here. What's happening?' I don't think anyone quite put together the Church connection."

Then for another week the freshmen traveled to Harvard, where the Kennedy School of Politics put on an issues seminar. Orton recalled, "They brought in the brightest and best minds in the country and the world to talk to us about the various issues of drug abuse, education, the homeless, macroeconomics, and the federal reserve. It was a tremendous opportunity." For example, "We sat down one evening at the home of John Kenneth Galbraith and talked about economic issues with him."

While all the staff selection, orientation, and constituent correspondence was taking place, Orton only had two months to wind up his law practice, transferring his clients and finishing scheduled seminars. The law prohibits him from these fiduciary activities while serving in the U.S. Congress.

After being sworn in, each congressman is allotted nearly $1/2 million per year to run two offices—one in the district and one in Washington. The maximum staff that can be hired is 18 full-time and four part-time. Given some of the substantial wages needed for competent help in Washington, D.C., Orton feels the budget is "very austere," yet he feels committed to provide all the services possible given his resources.

With his background in tax law, Orton feels he belongs on the House Ways and Means Committee, one of the most difficult committees to get on. Since it was already filled before the election, he quickly vied for other committee assignments, hoping to get on the Ways and Means after the next election. While most members of Congress fill two committee assignments, a handful serve on three committees. Indicative his energy, his colleagues gave him three assignments: small business, foreign relations, and banking.

The House increased the size of the Small Business Committee by one so that Orton could serve on it. When asked why he wanted to serve on that committee, his answer shows a sincere desire to represent his constituency well. "Most of the businesses in my district are small businesses," he said. "There are many regulations and tax issues where we're not helping small business."

Perhaps one of the most difficult decisions Orton has had to face so far was the congressional vote on the Persian Gulf War. Though some may disagree with his decision to support the president in war after all diplomatic solutions had failed, none could say he hadn't given all sides the most serious consideration. He held meetings with his constituency, where the divisiveness of opinion was so evident. He called President Rex E. Lee and other BYU Law School professors to check constitutionality issues. The somber mood of the Congress that day caused the members to lay aside the usual partisan politics. Then he, with the other elected officials, made what he called a "very personal" decision.

If Orton continues his energetic concentration on impending legislation, no doubt his constituency will feel their congressman always gives it his best shot.

After the election, some started fretting that Orton would soon turn into another politician practicing politics as usual—unable to move or change anything. All indications are to the contrary.

"I've told all my friends that if they see me changing and becoming a Washington, D.C., politician, they should hit me over the head with a two-by-four and tell me about it. Then I'll leave public office and go back into the private community."

When asked if one man can make a difference, he said, "Although I can't walk in there tomorrow with 15 bills and get them passed the next week, I can start building a coalition of colleagues who understand the problems. But the only way to do it is to start with one person, myself, and then work outward. So I'm not discouraged by it; I'm not frightened by it or worried that I'll go back there and get bogged down and not be able to get anything done. I'm excited that we can get a lot done."

Though he is encouraged by his success, Orton has had to pay a personal price, giving up much of his cherished private life.

"Personally and socially I'm a private, quiet, and shy person," mused Orton. "The absolute worst thing about winning this election is that now everybody knows me. Everybody recognizes me. I go to a gas station or grocery store and everyone turns and looks. They come up to me and want autographs. I don't mind that people come up and talk to me about issues because I've placed myself in that responsibility to be their representative in Washington. What bothers me is seeing myself in the newspaper and on television. So I have a real stress between my private life and the public life that I have placed myself in."

Though it's a little early to see past Bill Orton's congressional stay (and, if his popularity continues, he will be there for some time), he has at least one idea:

"When I leave Congress, I'd very much like to talk to the BYU Law School and have a more direct teaching relationship with them. I love teaching law."

Meanwhile, Orton will be doing what just a year ago he thought was a most absurd notion.

It's true, as he predicted, that he has given up his private life, has taken a cut in pay, and has been battered by various opponents. And in two years he'll have to go through another election—and perhaps another two years after that—all with much personal pain. But Bill Orton didn't run for Congress for personal aggrandizement or for some sort of self-fulfillment. He simply felt a strong obligation to serve.

After his first remarkable and surprising campaign of winning friends, there is now great hope that Congressman Orton will have an equally remarkable and surprising impact in Washington.

The Salt Lake Tribune

Tuesday Morning
September 4, 1990

Section C Page 1

Harmer Probe Encounters Several Snags

By John Keahey
Tribune Staff Writer

Lawyers investigating 3rd Congressional District candidate John Harmer's finances say their report will be delayed because of the volume of information under review and Mr. Harmer's "lack of cooperation."

But Harmer campaign manager Mickey Cochran said he isn't cooperating because investigators refuse to meet conditions he said would ensure fairness to Mr. Harmer, his primary election opponent Karl Snow and the Utah Republican Party.

The investigators are four Provo and Carbon County attorneys. They said Mr. Cochran's conditions "would result in the committee losing its independence, which we will not allow."

In a statement issued last week, the attorneys cited Mr. Harmer's "lack of cooperation in providing documents and information." It said negotiations between the lawyers and Mr. Harmer have broken down with a week before the Sept. 11 primary.

It also said the committee's work has been slowed by "the surprising depth and breadth of serious allegations and unresolved disputes involving [Mr. Harmer]."

In the same statement, the attorneys said opponent Snow "has provided all documents, including his tax records, and information that the committee has requested."

Mr. Cochran said that as campaign manager, he established five conditions to ensure his candidate's coop-

9704383035 8

managers, ... his candidate's coop-
tions to ensure his candidate's coop-
eration with the attorneys' group,
and he denied they would hurt the
investigators' independence.

He outlined those conditions in a letter sent to the investigators' chairman, Provo attorney Richard Hill.

It followed a letter sent to Mr. Cochran by Mr. Hill, dated Aug. 27, which said Mr. Cochran's request for advance notice of the final report "would compromise our objective to be fair and independent . . . We cannot be required to report to either committee nor is it fair to the public to notify either candidate, in advance, of any findings.

"In addition," the Aug. 27 letter continued, "the Karl Snow committee has not asked for any conditions on their cooperation."

Mr. Cochran's conditions, as outlined in his letter, were:

— A written certification by each of the attorneys conducting the investigation guaranteeing complete independence and absence of collusion with either the Harmer or Snow campaigns;

— A statement signed by both candidates stating that they will fully cooperate with the investigation;

— A full and complete disclosure of campaign finances by both candidates;

— A provision that both candidates could see the final report before public disclosure;

— And assurance that investigators must fully examine any inquiry involving business finances or related matters for both candidates.

In describing public reaction to the investigation, the investigators' statement said they have "received dozens of unsolicited telephone calls from individuals in Utah and in other states . . . we feel it necessary to analyze each and every bit of relevant information provided.

"Further, we have expanded our review to include all available relevant federal and state court record in California."

Members of the committee, in addition to Mr. Hill, include Douglas Morrison, and Michael Esplin, both of Provo, and Michael Harrison, Price.

****

Ballot '90
ngressional District

9704383039

The Utah Democrat

Utah Democrats Make Sweeping Gains

Legislative Gains Pave Way For New Leadership

Utah Democrats made gains of four seats in the State House and three seats in the State Senate, while losing only one incumbent legislator statewide. Four of the five new House members, Byron Anderson, DeMont Wiberg, Vern Borgeson, and Gail Voight upset Weber and Davis County incumbents.

See LEGISLATIVE GAINS on page 4

Orton Makes Democratic History In 3rd District

The polls didn't predict it. The news media wouldn't have guessed it. The Republicans still can't believe it. Bill Orton, political and Democratic neophyte, beat the odds, history and Karl Snow. *For the first time ever*, Utah Democrats hold title to the 3rd Congressional District.

See ORTON on Page 5

Demos Propose Tax Cut For 90% of Utahns

Under the Democratic plan, families earning less than $65,000 per year would receive a tax break

Utah taxes are among the highest and most unfair in the nation.

They are high because Utah has so many children. They are unfair because the Republican legislature has refused to base taxes on the ability to pay.

Property taxes, and particularly sales taxes ore inherently regressive. That is, such taxes are not based on the ability to pay.

The income tax was intended to counterbalance this regressive effect. The Republicans, however, have taken the progressivity out of the income tax by refusing to adjust brackets for inflation and by giving income tax cuts which primarily benefit the wealthy.

In 1973 the Utah Income tax system was aligned to the Federal system and a set of progressive rates and brackets

Message from the Chair



Peter Billings, Chair

We did it. Once again, Utah is a two party state. We won two out of three (and nearly all three) Congressional races, picked up seats in both State houses, gained control of the Salt Lake County Commission and even won a seat on the Davis

(See Message from the Chair on Page 4)

Inside This Issue:

Message from the Treasurer	Page 3
Sherrie Swensen	Page 5
Coordinated Campaign	Page 6
Calendar of Events	Page 7
Staff Changes	Page 7

9704383036O

Heavy Demo Turnout Helps Salt Lake County Candidates

Bradley and Horiuchi Reclaim Salt Lake County Commission Chambers



Randy Horiuchi

Republican incumbents Bart Barker and Tom Shimizu never knew what hit them. Democrats Jim Bradley and Randy Horiuchi bounced both out of office bringing to an end 14 years of GOP control of the three member Commission. The last time that the Democrats held a majority was 1976. This marks the first time in a decade that any incumbent has failed to win re-election.

No one could have put it better than Tom Shimizu when he called his loss to former state Chairman Randy Horiuchi, "the shock of the century." Mr. Horiuchi defeated the 7 year incumbent by 1004 votes, totaling less than 1% of the vote.

Horiuchi will be searching to find resources for several projects important Salt Lake County. These include: money and manpower to bolster law enforcement, enhancement of the county parks and recreation system, and the building of skywalks near schools surrounded by busy streets.

Jim Bradley soundly defeated a beleaguered Bart Barker by a 59-41% margin. Jim commented that Barker's rec-



Jim Bradley

ord and leadership during his 10 years in office lead to his eventual demise. Prime examples were the controversy surrounding the Salt Palace and a questionable compensation time policy created a flurry of media coverage. As energy director during Governor Matheson's administration, Jim established himself as both a leader and a great administrator.

Davis County Chair Beats Odds



J. Dell Holbrook

When J. Dell Holbrook became Davis County Democratic Party chair, Democrats only had a majority vote in three of the county's 164 voting districts. In 1988, Democrats gained 900% to 27 districts. This year's strong campaigns by Congressional candidate Kenly Brunsdale and County Commission candidate Holbrook brought more than a 300% increase to 86 voting districts- a clear majority in Davis County.

Mr. Holbrook became the first Democrat to win a Commission seat there in nearly 40 years despite being out spent three to one. He garnered more votes in Davis County than did Farmington's own James Hansen.

Further, the county maintained its one incumbent Democrat, State Rep. Joseph Hull, and gained two new seats for Reps. Gale Voigt and Vern Borgeson. 1990 was a banner year that Davis County Democrats will work hard to maintain and bolster.

Demo Tax Plan

(Continued from page one)

was adopted. Because of inflation, Utah's middle income and working families have realized income tax increases as high as 37%, while Utah's wealthiest taxpayers have experienced only trifling tax increases of 1% to 5%

The tax brackets were last adjusted in 1973. Then only 18% of taxpayers were in the top tax bracket. Today, after seventeen years of inflation, 75% of Utah's taxpayers are in the top bracket. Now Utah has essentially a flat tax, not a progressive tax system.

Lead by Representative Grant Protzman and Senator Omar Bunnell, Utah Democrats have proposed legislation to make Utah's tax structure fairer and more progressive. Under the Democratic plan, every Utah taxpayer earning less than $65,000 (adjusted gross income), or 90% of all Utahns, would receive a tax break.

The Democratic plan would eliminate federal deductibility, currently allowed under Utah's tax structure, and double Utah's income tax brackets.

The overall effect of the plan is revenue neutral. Although the plan does not completely compensate for the tax increases realized by middle income families, it does level the system considerably. Families who previously experienced the largest tax increases would realize the largest tax decreases under the Democratic plan.

Message From the Treasurer



Warren Nuesmeyer, Treasurer

Happy New Year to all Democrats. May your numbers increase in the coming year.

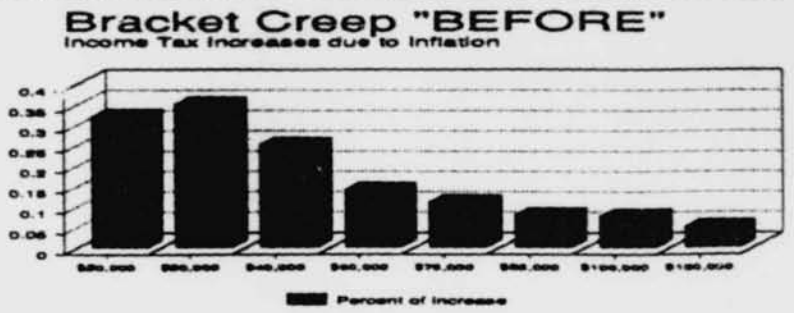
This past election cycle was full of many exciting gains throughout the state, as well as some tough losses. However, one of the most exciting developments was the Native American Voter Drive in San Juan County.

A coalition of Native Americans, Anglos and other interested parties was formed with the support of the State and several County Democratic parties to register and educate Native American Voters. The goal of this coalition was to provide for a fairer voice in San Juan County government through the election of several Native American Democratic candidates.

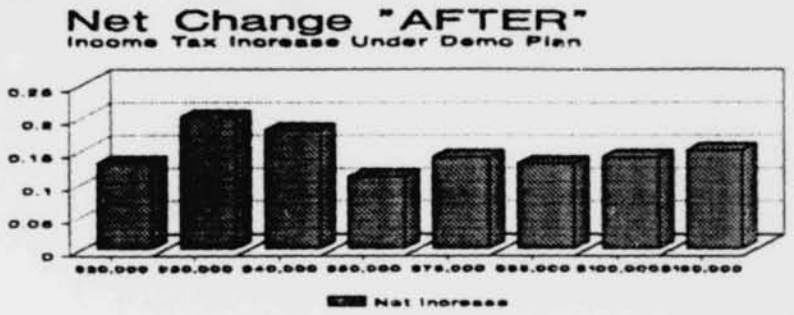
Through the immeasurable efforts of many coalition members, a list of whom is simply to lengthy to include, several hundred Native Americans were registered to vote, and voter turnout in San Juan County was much higher than expected.

An overall analysis of the election process shows the drive to have been a success. Although only one Democratic candidate was victorious, the San Juan County Navajos have begun to establish their voice in the political process. The increased awareness of both cultures in the election process cannot be overemphasized. When we have good government, democracy is strengthened.

We cheerleaders from the Democratic Headquarters salute all coalition groups for bringing more voters into the electoral process.



(Graph One, above, shows the disparity between tax increases to the wealthy verses increases realized by middle income Utahns.)



(Graph Two, above, shows the impact of proposed tax increases if Democratic legislation is passed)

Legislative Leadership

(Continued from page 1)

Neal Hendrickson, in perhaps the sweetest victory of all, defeated incumbent (and former Democratic) legislator Hugh Rush in Salt Lake County.

All three Democratic senate upsets took place in Salt Lake County. Bob Steiner defeated multi-term incumbent Richard Carling, Millie



Frank Pignanelli, House Minority Leader

Peterson defeated Bill Barton, and Scott Howell knocked off Richard Tempest. Karen Shepherd and George Mantes also join the Democratic Senate ranks replacing Senators Frances Farley and Karl Swan respectively.

In the sole Democratic legislative loss, 28 year incumbent, Bev White was defeated in Tooele County. Representative White was honored at the 1991 Legislative Ball

Subsequent to gains in both the House and Senate, Eldon Money and Frank Pignanelli have been elected Leaders of the Democratic Senate and House caucuses. Senator Money replaces Senator Rex Black and Rep. Pignanelli replaces Rep. Mike Dmitrich.

Message from the Chair

(Continued from page one)

County Commission for the first time in nearly forty years.

Dan Jones reported that more people voted straight Democratic than straight Republican - for the first time in Jones' lengthy career of polling. Jones' exit pollsters also reported that many more voters said they had been contacted by the Democratic GOTV effort than the Republican.

How and why did it happen? We had better candidates who worked harder. The Coordinated Campaign was well funded and was really humming in the Second Congressional District. We contacted 55,000 voters the weekend before the election. Organized labor and other groups got the message out to their members. And let's admit it, we were helped by the Republicans who self-destructed in the Third Congressional District and whose arrogance apparently put them to sleep around the rest of the State.

But, Before we get too carried away congratulating ourselves, let's remember that we are still the minority party in Utah. Even when we have the better candidate, Republicans usually out-spend us. Next year brings a presidential election and our opponents will be more persistent in their efforts. For a Democratic Party victory in 1992 we must have attractive candidates for Governor and Senator. The Coordinated Campaign must go statewide. Most importantly, Democrats must stand for something.

Between now and the '92 elections we will continue to work on the nuts and bolts, but we are also going to remind voters that the Utah Democratic Party has a solid programs for tax reform, education, environmental protection and many other issues of great importance to the citizens of Utah.

9/04/2803.3

Owens Easily Knocks Off 2nd District

When Wayne Owens defeated Genevieve Atwood, according to National Chairman Ron Brown, he beat "the best the Republicans have to offer." In perhaps the toughest defense of his Congressional seat Rep. Owens won by the largest margin yet.

Campaign manager, Eric Petersen explains Wayne's wide-margin of victory as a combined result of incredible fundraising, great field organization, and the amalgamation of "some of the best people in Utah politics." Adding that, "Wayne is reknowned for surrounding himself with a competent campaign staff, our staff this year was no exception."

This year also marked the first succesful attempt between the State Party, the Salt Lake County Party and a federal campaign to conduct a Combined Coordinated Effort.

According to Congressional Chief of Staff, Kay Christensen the next big hurdle for Rep. Owens will be the battle over reapportionment. There is a move (among Republicans) to gerrymander the 2nd Congressional district all over the state.

"There are many good reasons not to gerrymander the 2nd district," said Christensen. "Salt Lake County deserves their own representative, and nobody is well-served by dividing all three congressional districts into both rural and urban areas."

Orton

(Continued from page one)



Congressman Bill Orton

Rep. Orton's campaign, which held firm on issues rather than engage in political rhetoric, withstood months of negative Republican campaigning and a last minute onslaught of personal attacks from the opposition. The, now infamous, "family values" ad will go down in history as the begining of one political era, and the end of many Republican careers.

Congressman Orton is now busy staffing and arranging his offices here at home and in Washington, D.C..

Salt Lake County's Gain is Party's Loss

Sherrie Swensen Takes Post as County Clerk



Sherrie Swensen

The State Paty's own Sherrie Swensen defeated two term incumbent H. Dixon Hindley to the new Salt Lake County Clerk.

In a stunning upset, Sherrie defeated Hindley by a 47% to 42% margin, with Independent Betty Christensen garnering 10% of the vote.

Sherrie ran on a strong platform to simplify voter registration and to encourage increased public participation in the election process.

However, Salt Lake County's gain is the State Party's loss. Sherrie has tireously worked for the State Party since 1985 when she was first appointed by another newly elected official, then State Chair Randy Horiuchi. Since 1989, Sherrie has served as the Party's Director of Administration. We will miss Sherrie's presence at the Party, but look forward to working with her in her new post as County Clerk.

9704383064

Utah Passes Nation's Most Restrictive Abortion Law

Within days of the anniversary of the historic Supreme Court Roe v. Wade decision, the Utah State Legislature passed the nation's most restrictive abortion law. Since the Supreme Court rendered it's decision in Webster (wherein they implied they were willing to revisit Roe), several states including Louisiana and neighboring Idaho have attempted to pass abortion limitation laws. However, with few exceptions the laws have been defeated on Constitutional grounds prior to formal testing in the court system.

During his State of the State address, Governor Bangerter explicitly remarked that he would not sign into law any abortion limitation legislation that did not meet the Constitutional test. Despite the fact that not one impartial attorney viewed this legislation as Constitutional, Bangerter signed the bill.

Utah's Democratic Legislators are divided on the issue of abortion. However, they stand united in the belief that fiscal responsibility should be a factor in all governmental decisions. The Republican's unwillingness to examine the pecuniary repercussions of this legislation is nothing short of irresponsible.

Floor amendments were proposed, in both chambers, by Democrats to increase funding for teenage sex education and child care. All amendments were defeated by the Republican majority on the grounds that they were non-germane.

Coordinated Campaign

We're Going *Statewide* in 1992



James Roberts, Executive Director

The election results are in and the Coordinated Campaign worked. We registered more voters, identified more Democrats, and got more of our voters out to the polls in Salt Lake County than ever before. 1992 is the ideal year to take the Coordinated Campaign statewide.

In this past election we were able to run a very well-funded campaign in the Second Congressional District. With the victory of Bill Orton in the Third District, an open Gubernatorial seat, and a Senate race, in 1992 we will be able to run an even better campaign that touches every corner of the state.

It would be foolish to believe that the Republicans, after such substantial losses in 1990, won't be less arrogant, better prepared and very ready for a fight in 1992. To win, the Deomcratic Party will have to field solid candidates, stand united as a Party behind thos candidates, and fortify our grassroots operations statewide. This means, running an effective, well-funded Coordinated Campaign everywhere.

The Coordinated Campaign for 1992 must begin today. We need to find and field qualified and competent candidates for every office. We need to begin shoring up our nuts and bolts operations. And, we need to create or purchase all the necessary tools to provide technical support to Democratic candidates statewide.

1990 taught us many valuable lessons. First, most Utahns see a need for balance in government and are tired of a one-Party state. Second, Democratic voters will turn out to vote, though it might take a bit of prodding. And finally, that good Democratic candidates are electable, even in Republican districts.

In an effort to get Democratic voters to the polls in a presidential year, we will must identify and contact as many as possible. Your help is imperitive.

9704383065

Labor PACs Make Record Contributions to Demos



Ed Mayne, President AFL-CIO

Ed Mayne, President of Utah's AFL-CIO, is pleased with the successful focus of Labor's resources to elect Democratic candidates in 1990. Over 70% of the 47 State House and Senate races targeted by Labor proved victorious. In the six years since the Utah Labor PAC was stablished Democrats have gained four Senate seats and 17 House seats.

AFL-CIO/COPE provided more than 130,000 mailings and nearly 20,000 signs and 3,000 newly registered voters to help the Democratic candidates. The Utah Labor PAC contributed more than $90,000 to Utah House and Senate campaigns. Many more Utah Labor dollars were given to U.S. Congressional and county races.

1991 Calendar of Events

March 23rd - *Utah County Convention*
March 26th - *Tooele County Convention*
April 3rd - *Party Office Filing Deadline*
April 12th - *Garfield County Convention*
April 13th - *Washington County Convention*
April 13th - *Duchesne County Convention*
April 13th - *Beaver County Convention*
April 13th - *Uintah County Convention*
April 20th - *Davis County Convention*
April 26th - *Carbon County Convention*
April 26th - *Emery County Convention*
May 4th - *Salt Lake County Convention*

May 17th - Annual JJ Dinner

May 18th - Utah State Convention

Please Note: These were the only conventions scheduled at the time this newsletter went to press. For further information please contact AmyLynn @ 484-1200.

State Party Makes Staffing Changes

In the wake of Sherrie Beeny's successful vie for Salt Lake County Clerk, as well as some standard attrition, we've got a few new faces at the State Democratic Headquarters. James Roberts has replaced Hugh Matheson as State Party Executive Director, AmyLynn Bliem has been retained as Director of Administration, and Paulette Blair has been hired as a receptionist.

James Roberts was brought on board by the Party in January of 1990 as Director of Development. He replaced Hugh Matheson as Executive Director in June of 1990 when Matheson resigned his post to attend law school.

AmyLynn Bliem was hired in January of 1991 to replace Sherrie Beeny who vacated her post after being elected Salt Lake County Clerk in the 1990 election. Ms. Bliem was formerly Administrative Assistant to the Salt Lake County Party, and worked for the Salt Lake County Surveyor's Office. She has taken a respite from her studies at the University of Utah where she is currentlypursuing a degree in Political Science.

During the 1988 cycle AmyLynn was employed as the Assistant State Director for the Dukakis/Bentssen campaign. She was active in the 1989 Salt Lake City Council races, and was involved in several Salt Lake County and Legislative races in the 1990 cycle.

Paulette Blair has been employed by the Party since May of 1991. She is a member of the OPEIU Local 11. Paulette will be responsible for many of the organizational tasks at the Party, and can either answer your questions or direct you to someone who can.

Any Individual wishing to run for the offices of State Party Chair, Vice Chair, Secretary or Treasurer MUST file a letter of intent with the State Party Offices on or before April 3rd, 1991.

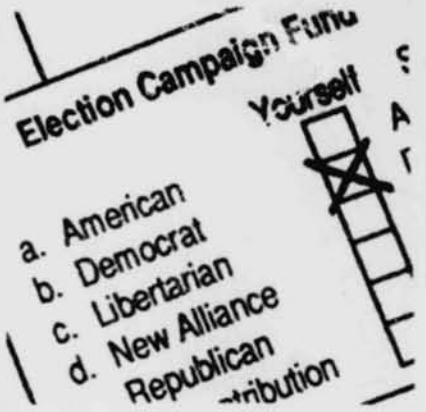
9704383036

Donate Norm Bangerter's money to the Democratic Party

When you check the Democratic box on your tax return, you donate one dollar of state tax revenues to the Democratic Party.

The dollar does not reduce your refund or increase your taxes. It comes straight off the top of the Tax Commission's receipts. And the proceeds are evenly split between the state Democratic Party and your county Party.

So don't forget to check–a–buck for the Democratic Party. Right out from under Norm Bangerter's nose.



Don't forget to check–a–buck. It's free money for the Democratic Party.

Remind your accountant or tax service as well.

TheUtahDemocrat
472 Bearcat Drive
Salt Lake City, UT 84115

Non-Profit
Organization
U.S. POSTAGE
PAID
Salt Lake City, UT
Permit No. 2285

DANIEL DARGER
10 EXCHANGE PLACE #1000
100 COMMERCIAL CLUB BLDG.
SALT LAKE CITY UT
84111

9704383036 7

In September, he ran on "integrity." By November, he may be running on empty.

The Questionable Karl Snow

ANALYSIS

by Eric Schulzke

A BYU administrator and congressional candidate has had close ties to a convicted felon. His denials in the face of substantial evidence raise serious questions.

Records have come to light in recent weeks indicating that BYU Administrator and Congressional Candidate Karl Snow appears to have misrepresented his connections to convicted felon Michael Strand, Global Oil, Unique Battery, and a penny stock deal that probably cost one life and seriously disrupted the lives of others.

At present, there are more questions than answers. But the gravity of the questions combined with the lack of answers should concern every voter in the Third Congressional District.

This writer initially came across the documents as a volunteer for Snow's opponent in the primary. The allegations and the documents themselves were brought to light by various individuals who had been involved with the stock transactions outlined below.

The Players

The main figure in this confusing narrative is Michael Strand, a stock manipulator twice convicted for securities fraud and most recently released from custody only a few weeks ago. Strand's *modus operandi* is to control companies from the sidelines. Global Oil was no exception. In Global, Strand's wife, Lois, was the largest shareholder while Strand himself controlled the company. (The Strands, by the way, donated about $7,000 to Snow's 1984 campaign for governor.)

Unique Battery was a [illegible]

ing to do with his companies." A more complex picture has begun to emerge, however.

Deep and Broad Connections.

• Darger's sworn affadavit in court files indicates that he was president of Unique Battery when he was introduced to Michael Strand as a man who could supply research capital. Darger has since said that Strand, in turn, introduced him to Snow. Strand described Snow to him as a person of "influence" who could get things done. Darger says that it was at Strand's urging that Snow was made a director of Unique and later of Global Oil.

• Stock reports and interrogatories indicate that only a few people received free stock in Unique Battery. At least two, a banker and a legislator, may have received stock for lending credibility, or, as an Atlas interrogatory puts it, "for separate and additional consideration other than the reorganization of Unique Battery." The banker, Lyman Smart, apparently committed suicide several months after the merger fell through. The legislator was Karl Snow.

• There is good reason to believe that Snow was instrumental in securing Strand's parole from prison after his first conviction. Keep in mind that Strand was still on parole for a fraud conviction when these events took place.

• Darger said he has been present many times with Strand and Snow together in meetings. Snow, Darger says, generally treated Strand deferentially during these meetings.

• Atlas Stock Transfer reports show Snow holding stock in '85, '86, and '87. One report shows six different stock transactions involving Snow over an eight month period. The mid-1986, the corporation was suspended for failure to file a report. The fact that Snow is not listed with the state in itself raises questions of impropriety. In any case, he could still have functioned as an officer during that period.

• Snow says that he has never manipulated penny stock and wouldn't even know how to do it. But that is beside the point. At the moment, the question concerns his close association with Strand and the possibility that Snow may have lent his credibility to the arrangements.

• Snow pointed out to us that some of the documents spell his name with a "C" rather than a "K." In fact, the Secretary-Treasurer, Ronald Sorth, did spell Snow's name with a "C" when he (Sorth) resigned from the company. In his resignation letter, Sorth notes that he sent a copy to "Carl Snow, V.P." Sorth was likely responsible for the company's minutes, and the misspelling in his letter would thus be consistent. However, Snow's name is spelled correctly in the stock reports and numerous other documents.

• Snow claims that his signature has been forged on these documents. Of the two signed documents in this writer's possession, one is probably not in Snow's hand, while the other almost certainly is. The "forged" signature may have been signed with Snow's approval, however, since his signature was not needed and there was no motive to forge it. Snow's actual signature appears on an agreement for the planned merger of Unique and Global.

• Snow points out that he was not named in a suit involving Global and Unique. But also missing from the list was Lois Strand, the largest shareholder. Obviously, being excluded from that list says nothing about the extent of a person's involvement with Strand.

is exceedingly inept, but even this requires more faith and charity than the situation allows. Even if he had done nothing *illegal*, such apparent misrepresentations on the part of a public figure would be cause for concern.

2) *The array of documents is impressive.* When we asked Snow about the documents, he said that they were "fraudulent." But most of them are in court files, and they stem from a variety of sources: interrogatories prepared by Strand, resignations of officers, sworn affadavits, stock transfer reports, etc.. It is highly unlikely that they are phony. Mark Hoffman himself would have had a hard time fabricating this one.

3) *In light of the documentary evidence, Strand's and Snow's denials are simply not credible.* On the other hand, Darger's statements are plausible and consistent with the evidence already in court files.

4) *Public figures rarely risk such misstatements unless the stakes are high.* If Snow does not promptly offer explanations, people may suspect that he is hiding something for a reason.

5) *It is in everyone's interest to investigate this matter thoroughly.* Utah is already known as the fraud capitol of America. Given that reputation, any degree of involvement in such matters on the part of public figures cannot be taken lightly.

6) *Utah's media are either lazy or understaffed.* Many newspapers and television stations have had these very documents for months. Yet most have failed to make the most elementary deductions.

7) *Only the full truth will do.* The Strand connection is not a petty matter because Michael Strand is not a petty thief. Aware that articles including this one were in the works

ven the stock transactions outlined below.

The Players

The main figure in this confusing narrative is Michael Strand, a stock manipulator twice convicted for securities fraud and most recently released from custody only a few weeks ago. Strand's *modus operandi* is to control companies from the sidelines. Global Oil was no exception. In Global, Strand's wife, Lois, was the largest shareholder while Strand himself controlled the company. (The Strands, by the way, donated about $7,000 to Snow's 1984 campaign for governor.)

Unique Battery was a legitimate company with which our second figure, John Darger, was involved. Darger was directed to Strand by a bank officer when the company needed [illegible]rch capital. Strand became deeply involved with Unique, eventually attempting to merge it with his own Global Oil in 1985. Such mergers are a common stock manipulation technique. The merger fell through, and lawsuits and countersuits are still pending between the principals in the two companies.

The story is confusing, and it will probably take months for the media and the public to sort it out. However, the reader who keeps three things in mind will grasp the most significant points: (1) Mike Strand has been twice convicted of securities fraud—once before these events and once after. He was still on parole for his first conviction when these events took place. (2) Karl Snow has categorically denied any connection to Strand's business. (3) These events seriously disrupted the lives of many people.

Snow has emphatically denied involvement with Strand's companies, ever being an officer or a director in Global Oil, or even owning stock. Only recently has he admitted to owning a small amount of stock, but it seems even these admissions are inadequate.

In the August 20 *Deseret News*, Snow makes one of several emphatic denials: "I never attended any board meeting of Global Oil. I never accepted any stock in that company, although it was offered. I haven't seen Michael Strand in four years and have had noth-

• There's good reason to believe that Snow was instrumental in securing Strand's parole from prison after his first conviction. Keep in mind that Strand was still on parole for a fraud conviction when these events took place.

• Darger said he has been present many times with Strand and Snow together in meetings. Snow, Darger says, generally treated Strand deferentially during these meetings.

• Atlas Stock Transfer reports show Snow holding stock in '85, '86, and '87. One report shows six different stock transactions involving Snow over an eighteen month period. The reports show additional stock issued to Snow's mother, Wanda, and to his son, Rodney. Snow initially denied owning any stock, but he since admitted to buying about 11,000 shares. The Atlas report shows Snow with 117,500 shares in his name and and an additional 5,666 for his mother and his son. Snow suggests that the stock was held without his knowledge. This is conceivable but highly unlikely, especially since the SEC requires frequent reporting of stock transactions *and each report lists Snow's current Provo address.*

• As late as 1988—after Strand's second securities fraud conviction—records show that Snow's 100,000 shares of Global Oil stock were transferred to M & L Investments, another Strand company. M & L likely stands for Michael and Lois, as in Michael and Lois Strand.

Obfuscations and Deflections

• Snow claims that he was never an officer, a director, or a shareholder in these companies. However, court documents and company minutes list him as a vice president, a director, and a shareholder in Global Oil and/or Unique Battery. Snow says, accurately, that he was never registered as a director or an officer with the state. But in fact, the corporation was suspended for failing to register its officers over a lengthy period—precisely the period during which Snow apparently was an officer. The corporation filed with the state in January of 1985, and Snow was elected an officer on February 25 of that year. Finally, in

probably not in Snow's hand, while the other almost certainly is. The "forged" signature may have been signed with Snow's approval, however, since his signature was not needed and there was no motive to forge it. Snow's actual signature appears on an agreement for the planned merger of Unique and Global.

• Snow points out that he was not named in a suit involving Global and Unique. But also missing from the list was Lois Strand, the largest shareholder. Obviously, being excluded from that list says nothing about the extent of a person's involvement with Strand.

• When asked about the documents showing Snow's involvement, Strand has claimed that Darger frequently forged prominent names. But this answer is untenable given that one of the documents, showing Karl Snow sandwiched between the now deceased Lyman Smart and Lois Strand, was an interrogatory prepared by Strand and his secretary—not by John Darger.

• Snow has carefully spoken in terms of physical presence: "I have not *seen* Strand for over four years," "I did not *attend* board meetings," etc. Darger confirms that, indeed, Snow was sometimes *not* present at the meetings. But Darger says Strand usually had Snow on the telephone during such occasions, relating the proceedings to him as the meeting progressed.

Observations

1) *It's difficult to avoid concluding that Karl Snow has misrepresented the facts.* The only other explanation would be that he

the fraud capitol of America. Given that reputation, any degree of involvement in such matters on the part of public figures cannot be taken lightly.

6) *Utah's media are either lazy or understaffed.* Many newspapers and television stations have had these very documents for months. Yet most have failed to make the most elementary deductions.

7) *Only the full truth will do.* The Strand connection is not a petty matter because Michael Strand is not a petty thief. Aware that articles including this one were in the works, Snow finally asked a CPA and a lawyer to look into the matter last week. These investigators should take care lest they find themselves defending the indefensible.

8) *Karl Snow is asking the voters to trust him.* He may be asking too much. Δ

Campus Venture

PRESENTS

The Lion's Den will be viewing six video presentations by popular campus speaker Josh McDowell. There will be discussion after the presentation.

TIME: Friday, 8:00
PLACE: Wilkinson Center, Room #394

October
Josh McDowell set out on an intellectual adventure determined to prove that christianity was a hoax. After 2 years of intensive study he emerged a man deeply commited to Christ, a man able to give solid evidence of his faith, and a man ready to share those answers with others.
12- A Skeptic's Quest
It's okay to have doubts, to have questions reguarding your faith. Josh shares how questioning actually strengthened his faith and brought him to a deeper knowledge and understanding of the scriptures.
19- Misconceptions of Christianity, Part I
26- Misconceptions of Christianity, Part II

November
The Uniqueness of the Bible
The Reliability of Scripture
Messianic Prophecy

CAMPUS VENTURE IS AN INDENOMINATIONAL CHRISTIAN GROUP

BYU STUDENT REVIEW

9 7 0 4 3 8 3 0 3 6 9

...ndorse-
...commit-
...contri-

...stand for that. He is not [redacted] like that, like some people [redacted] in this campaign."

Members of the PAC who were ... clined to tell *The Tribune* who on th... other side made any threats.

"When I spoke to Dave Marshall

See B-2, Column 3

Orton Challenges Snow To Get to the Issues

By John Keahey
Tribune Staff Writer

PROVO — Democrat Bill Orton, the dark horse in Utah's heavily Republican 3rd Congressional District race, says a series of joint appearances with opponent Karl Snow allows for little more than "warm fuzzies" and political rhetoric.

His comments came Thursday during a debate before the Provo Rotary Club where he used most of his allotted time challenging Mr. Snow to schedule more issue-probing debates before next month's general election.

"The problem I've got with this campaign is that we are invited to these types of [joint appearances] to talk to you and let you know a little about us, give you some warm fuzzies and a little bit of political rhetoric," Mr. Orton told the Rotarians. "We don't get to the issues."

Mr. Snow responded by outlining his business and political agenda and then said his schedule was so full that he didn't have time to meet Mr. Orton beyond the 16 joint appearances already scheduled.

He later told *The Tribune* Mr. Orton was "a crybaby. I have only five days left in my schedule to get to the rural 3rd District counties," adding that Mr. Orton's staff failed to give his staff adequate time to plan further appearances.

"He only sent a letter outlining dates, and I already was booked for many of those dates," Mr. Snow said.

Mr. Orton said his staff made numerous phone calls to the Snow camp immediately following the Republican's Sept. 11 primary victory.

"None of those phone calls was ever returned," Mr. Orton said, forcing him to send a letter proposing joint-appearance dates.

"Most of these appearances were offered to me without Mr. Orton," Mr. Snow said. "I could have shut him out of a number of these meetings."

Concerning issues, he told Rotarians, "The last thing we want to do in this district is to send a Democrat to Congress who's going to play ball with a Democratically controlled Congress that has strong-armed the President . . ."

The Democrat countered that Mr. Snow was drawing political lines that fail to reflect current ways of doing business in Washington. He said the attitude that things get done by pitting Republicans against Democrats is outmoded.

"People in Congress are discovering that partisan politics do not work," Mr. Orton said. "I'm not a partisan politician. . . . If there's a good idea, let's stop pointing fingers at the President, Congress, the Republicans and the Demo-

See B-2, Column 1

...Sports Authority, said an agree-... has been reached in which the ...cent property owner would do-nate more than 300 acres for the sports complex and access road."

In an accompanying letter to the CIB, Mr. Stowe said "as a public roadway, it will provide access to all properties adjacent to it, but its primary destination would be the [sports complex]. A major property holder has offered to pay the design fees for this road on the presumption that it will be built to the size necessary to also possibly service many of its home sites."

Mr. Stowe said Thursday it would be a two-lane blacktop road.

"Our review has determined that this is the most economical way to both access our property and serve the benefit of this new development," he added in the letter.

But attorney Kevin Anderson, who also represents Hi-Ute Investment, told the CIB the adjacent property owner would not donate the acreage if the state were not putting in the road and utilities, which will greatly enhance the value of the private land and the ability to subdivide it.

Mr. Anderson maintained the CIB is mandated to use its funds, which are derived from mineral-resource development, to mitigate social and economic impacts of that development. Olympics-related facilities don't fit that criterion, he asserted.

Moreover, the Legislature stipulated that sales-tax revenue should be the source of Olympics-facility construction and deleted "Winter Games" structures from consideration as public facilities eligible for CIB funding, Mr. Anderson said.

The $2 million from the CIB exceeds the Legislature's $56 million sales-tax allocation, he added.

"What they're [the Sports Authority and Summit County] trying to do is increase the cost of the Olympics to the public without the public knowing," Mr. Anderson charged. "They're doing it in a way they don't have to report to the public."

That's not true, said Gordon Crabtree, state Director of Finance. He said a legislative committee overseeing the Sports Authority budget always has been aware of the CIB's $2 million grant to Summit County, which was approved in 1988.

John F. Clark, counsel to the Utah attorney general, said it's "fairly clear" the grant would be used for a public purpose and that's there's no merit to Hi-Ute's allegations. He also said it was appropriate for Summit County to receive the CIB funding since it would be used for the county's economic-development program, regardless of whether the Olympics ever come to Utah.

Added Mr. Schulz: "Now that the Buehners [the family with a major interest in Hi-Ute Investment] aren't selling property for the facility, they're opposed. I find that interesting."

...Ks Settlement in Sex Case

...inst...
...ner...
...Mr...
...Mr...
...phic...
...er in...
...and...
...bout...
...oth...
...ing...
...raw...
...ree...
...are...

"There was no attempt to keep information from the press," he said. "On the contrary, . . . we wanted to provide only accurate information to the press."

Mr. Strachan claimed Ms. Collard breached the agreement by "libeling" Mr. DeLand in two articles that appeared in *The Salt Lake Tribune*.

Ms. Collard is quoted as saying the settlement demonstrated the validity of her client's claims, and the settlement money "should come out of" Mr. McAlister's and Mr. DeLand's pockets. She also said the settlement did not exonerate Mr. DeLand.

...ttorneys had agreed to the dismissal of Mr. DeLand as a defendant in the case five days prior to dismissal of Mr. McAlister and the state and the payment of $95,000 to Ms. Dreitzler.

Mr. Strachan maintained that the early dismissal had exonerated Mr. DeLand "on the merits of the case." He also claimed that Ms. Collard had agreed during a telephone conversation on Sept. 13 that they would release to the press only copies of the settlement stipulation and draft order dismissing Mr. Deland.

But attorney Steven Russell said

See B-2, Column 5

Utah County home bui[illegible] charged Wednesday with 18 [illegible] of felony theft for allegedly violating a new law that requires contractors to pay their subcontractors and materials suppliers within 120 days.

Thomas R. Jenkins, Harold C. Toombs, Harpld C. Jenkins and T&H Westamerica Homes, based in Orem, were named in a complaint filed in [illegible] complaint stems from [illegible] vestigation by the Division of Occupational and Professional Licensing (DOPL) in the Utah Department of Commerce.

The defendants will be arraigned Oct. 25 in the Orem court.

The new law, known as the Construction Trades Licensing Act, contains a provision requiring contrac- [illegible] failure to make [illegible] or to arrange a new payment [illegible]e, is "prima facie evidence of intent to deprive the person to whom money is to be paid . . ." the law says.

That provision of the law was included to discourage contractors from using funds they'd received for one project to start another job. In too many cases, licensing officials discovered, contractors who failed to pay for work and materials when they had the money in hand left homeowners liable for the debts.

The complaint against Westamerica is the first criminal prosecution of a contractor for alleged diversion of funds, according to William Essex, chief investigator in the contractors section of the DOPL.

Each count involves a different home that had one or more liens filed against it, allegedly as a result of Westamerica's failure to pay subcontractors and suppliers.

The counts are all second-degree felonies, punishable by prison terms of one to 15 years.

Westamerica principal Harold C. Toombs said the firm suffered some serious losses during the summer of 1989, but said that he and his partners are "in the process of paying all those [debts] back."

"We didn't feel like we were guilty under any kind of a criminal charge," he said.

Creek Soil Yields High Levels Of Lead in Southwest Valley

Continued From B-1

ings-like material. Investigators found red and yellow discolored shades of soil, which indicates a concentration of heavy metal.

Scott Jacobson, whose house is just south of the creek in West Jordan, said he constantly sees children playing near the channel and he even walks his dogs near it each morning.

"I've always wondered about it because of the yellows, red and other discolorations near the culvert but I never imagined it was something toxic."

Mr. Jacobson said the youth in the area always ride motorcycles and mountain bikes near the creek, kicking up large amounts of dust.

Mr. Jacobson, who moved to the residence two years ago, said he he wasn't really surprised by the findings, but somewhat angry. "I'm angry that you can buy a piece of land and not find out about something like this for two years."

Health department investigators also took sediment samples of the Jordan River, near the Sharon Steel sit, and found only traces of lead.

Since the creek is usually dry and only filled with water following heavy rains and flooding, officials think most, if not all, of the contamination has been confined to the channel.

"In some areas it is loose. Being in that ditch it's unlikely it is widespread, but at this point we just don't know," Mr. Alkema said. "Right now we're at a loss to what the source may be."

Indeed, the extent of the contamination won't really be known until further examination.

The state this week petitioned the Environmental Protection Agency to place Bingham Creek on its so-called Superfund emergency removal list. While this is the quickest EPA process, it could be up to six months before the agency acts, Mr. Alkema said.

PAC Members' Threats Altered

Continued From B-1

he said he thought Tom Shimizu deserved the endorsement from the PAC instead of Mr. Hor[illegible] because Mr. Shimizu had been [illegible]orsed five of public employees and had voted during his last term for pay [illegible] said Mr. Schofield.

"I asked him if that was a threat and he said of cour[illegible]t," Mr. Schofield added. "He called me later to make sure I understood it was not a threat."

But the six members of the PAC, who all spoke on the condition of anonymity, said they had the impression there had been threats.

"But it is a matter of logic that if you endorse one candidate and the other wins, he might not be as helpful for you, as he would have been with an endorsement," said one PAC member who was not offended by the "veiled threats."

The committee members present

Orton Urges Snow to Tackle Issues

Continued From B-1

crats. Let's have a statesman go [to Washington] who understands the issues and and who has solutions."

Also Thursday, news reports said Mr. Orton, a tax attorney, has twice been the target of State Tax Commission warrants issued over delinquent taxes.

It also was reported that court documents show the Democrat failed to resolve a minor 1987 automobile speeding citation, and an arrest warrant has been issued.

Mr. Orton said he paid the disputed tax amounts earlier this year and filed an appeal with the tax commission. That appeal is pending a formal hearing.

"I made an offer of settlement, and I thought it was taken care of," he said.

Concerning the traffic citation, Mr. Orton said he does not recall getting a citation where he did not pay the bail. He said Thursday he would pay the $100 fine by the end of the week.

Today's Weather

State Forecast

A Pacific cold front will move into northwest Utah late Friday night. On Saturday the front will continue southeastward through the state. The state forecast calls for increasing cloudy skies. Scattered showers [illegible] with breezy south winds will devel-

NATIONAL WEATHER

The Accu-Weather® forecast for noon, Friday, Oct. 5.



with cheerf[illegible] a management cialist has been the Golden Key Governor's Co ployment of Pe ities.

Kathy Vorw UTA employee directed at be ment informa puter program ing it at a dis born without one leg.

With the hel vice, "Kathy h efit her emplo cally disable look to her as age and confi ers said.

Ms. Vorwa her award du annual awar Friday at the Inn.

The comm award "symb required to opportunity acceptance, persons wit said.

gave Mr. H endorsemen dates made PAC. Befor which was s other coun Chairman L some of the some conc ramificatio

Mr. Pete statements cerned that too hastily the positiv done for t two years.

Orton badgers Snow about debating

■ Rotary Club: Snow describes his experience, says he won't let Orton set his campaign agenda.

By Brooke Adams
Deseret News staff writer



PROVO — Third Congressional District candidates Karl Snow and Bill Orton put their time before Provo Rotary Club members to different uses Thursday.

Orton, the Democratic candidate, used his time to badger his opponent about not meeting him in substantive debates about the issues in the time remaining before the final election.

Snow, the Republican candidate, spent his time at the podium to run through a brief synopsis of his political experience and some of his stances on budget issues.

The candidates spoke at a luncheon at the Provo Elks Lodge.

"What we are lacking is the opportunity to really get into the issues in depth, and say, 'This is what I understand about the federal deficit, this is what I would do about the federal deficit,' and be challenged by one another and by the crowd," Orton said.

The need for in-depth debate is because of contradictory statements Snow has made on such issues as wilderness, Orton said.

"The problem I've got with this campaign is that we are invited to these type of forums . . . but where we're invited to give you a speech, to talk to you and let you know a little about us — give you some warm fuzzies and a little bit of political rhetoric — we don't get to those issues," Orton said.

Snow responded to Orton's comments at the end of his introductory remarks, saying: "It would seem to me my opponent is having a very difficult time getting an audience for a forum. I have more forums than I can possibly deal with."

He said 11 of 16 scheduled joint appearances are debates.

"I'm not afraid to meet Mr. Orton anytime, anywhere, but I'm certainly not going to let Mr. Orton set my schedule when I have a full agenda," Snow said.

Snow focused his comments on describing his political experience and his general philosophy on several issues.

"I know the district. I know the people. I know the players," Snow said. "I know the state Legislators — all of them supported me in the primary. I know the governor. I know the county commissioners, and I believe I'm prepared to interface with them as Congressmen Nielson has done in effectively resolving their problems, their concerns and their issues."

Snow said the overriding issue facing the nation is the continuing deficit.

"Some of us thought that Gramm-Rudman might be the answer to that several years ago, but it seems that Gramm-Rudman has failed," he said.

He chastised the budget bill proposed by the Democra
trolled Congress as unac

"I think the last thing
do in this district is send
to Congress who is going
with a Democratically
Congress who
armed the presi
this proposal (the budge
does indeed do so," Snow

He advocates a reduc
capital-gains tax, which
crease existing taxes by
million over next three
also supports a balan
amendment to the Consti
line-item veto.

Snow, in his follow-u
said he opposes Rep. Wa
bill designating 5.1 milli
Utah as wilderness — mo
is in the 3rd District an
verely affect some coun
district. Designation of
lands needs to be on a c
basis, he said.

Orton hit the debate
during his follow-up rem

"When you go to W
D.C., this is what you do
Orton said. "You debate
er. You have to sell your
have to be able to convinc
to be able to debate and
if you're not up to it the
a right to know that."

Hitting the issues

Gasoline and other taxes to pay off deficit

Orton: Opposes a new gasoline tax. Proposes that federal budget be on a two-year cycle and a tax-reform package adopted that would include taxes on domestic subsidiaries of foreign corporations.

Snow: Opposes a new gasoline tax, which creates a greater impact on the West because of greater travel distances. Prefers an import fee on foreign oil. Champions the Grace Commission Report's suggestions for reducing expenditures.


Bill Orton


Karl Snow

Entitlement programs

Orton: Need to look at what government is supposed to do — whether programs are safety nets or ways of living. Proposes vast reform of welfare program.

Snow: Entitlements in general will be have to cut across the board if cut at all; but he doesn't see room for more cuts in Medicare. Opposes recently passed child-care program. Opposes federal funding of abortions and contraceptive counseling programs.

Incentives to decrease use of foreign oil

Orton: Need to create incentives, but should rely on market pressures. Proposes broad-base energy policy to wean U.S. from foreign oil. Use import fee on foreign oil to fund conservation.

Snow: May be appropriate as last resort to impose regulations requiring increased fuel efficiency. Ought to offer incentives for developing synthetic fuels.

Support for small businesses

Orton: Thinks small businesses are overregulated. Unfair competition from non-profit organizations needs to be addressed at both state and federal levels.

Snow: Opposes mandatory health insurance for all businesses. Pushes for privatization of many governmental services, decreased regulation.

DESER
NEWS

UTAH COU

PHONE NUMBER
Advertising
1-800-662-9186
Circulation
1-800-662-9076

Deseret News staff writer
BROOKE ADAMS
has you covered
in Utah County

TRUCKLOAD SALE WHILE

CONFERENCE

on badgers Snow about debating

Club: Snow his experience, won't let Orton ampaign agenda.

Adams
staff writer

PROVO — Third Congressional District candidates Karl Snow and Bill Orton put their time before Provo Rotary Club members to different uses Thursday.

Orton, the andidate, used his time opponent about not substantive debates in the time remaining final election.

Republican candidate, at the podium to run synopsis of his politi- and some of his dget issues.

dates spoke at a lun- Provo Elks Lodge.

are lacking is the oppor- get into the issues in This is what I under- federal deficit, this is do about the federal challenged by one an- the crowd," Orton said.

depth debate is be- tradictory statements on such issues as wil- said.

lem I've got with this that we are invited to forums . . . but where to give you a speech, to let you know a little ve you some warm fuz- bit of political rheto- get to those issues."

nded to Orton's com- end of his introductory ing: "It would seem to ent is having a very dif- ting an audience for a more forums than I deal with."

of 16 scheduled joint are debates.

Hitting the issues

Gasoline and other taxes to pay off deficit

Orton: Opposes a new gasoline tax. Proposes that federal budget be on a two-year cycle and a tax-reform package adopted that would include taxes on domestic subsidiaries of foreign corporations.

Snow: Opposes a new gasoline tax, which creates a greater impact on the West because of greater travel distances. Prefers an import fee on foreign oil. Champions the Grace Commission Report's suggestions for reducing expenditures.


Bill Orton


Karl Snow

Entitlement programs

Orton: Need to look at what government is supposed to do — whether programs are safety nets or ways of living. Proposes vast reform of welfare program.

Snow: Entitlements in general will be have to cut across the board if cut at all; but he doesn't see room for more cuts in Medicare. Opposes recently passed child-care program. Opposes federal funding of abortions and contraceptive counseling programs.

Incentives to decrease use of foreign oil

Orton: Need to create incentives, but should rely on market pressures. Proposes broad-base energy policy to wean U.S. from foreign oil. Use import fee on foreign oil to fund conservation.

Snow: May be appropriate as last resort to impose regulations requiring increased fuel efficiency. Ought to offer incentives for developing synthetic fuels.

Support for small businesses

Orton: Thinks small businesses are overregulated. Unfair competition from non-profit organizations needs to be addressed at both state and federal levels.

Snow: Opposes mandatory health insurance for all businesses. Pushes for privatization of many governmental services, decreased regulation.

"I'm not afraid to meet Mr. Orton anytime, anywhere, but I'm certainly not going to let Mr. Orton set my schedule when I have a full agenda," Snow said.

Snow focused his comments on describing his political experience and his general philosophy on several issues.

"I know the district. I know the people. I know the players," Snow said. "I know the state Legislators — all of them supported me in the primary. I know the governor. I know the county commissioners, and I believe I'm prepared to interface with them as Congressmen Nielson has done in effectively resolving their problems, their concerns and their issues."

Snow said the overriding issue facing the nation is the continuing deficit.

"Some of us thought that Gramm-Rudman might be the answer to that several years ago, but it seems that Gramm-Rudman has failed," he said.

He chastised the budget bill proposed by the Democratically controlled Congress as unacceptable.

"I think the last thing we want to do in this district is send a Democrat to Congress who is going to play ball with a Democratically controlled Congress who [illegible] indeed strong-armed the president into accepting this proposal (the budget bill) if he does indeed do so," Snow said.

He advocates a reduction in the capital-gains tax, which would increase existing taxes by almost $32 million over next three years. He also supports a balanced-budget amendment to the Constitution and a line-item veto.

Snow, in his follow-up remarks, said he opposes Rep. Wayne Owens' bill designating 5.1 million acres in Utah as wilderness — most of which is in the 3rd District and would severely affect some counties in the district. Designation of wilderness lands needs to be on a case-by-case basis, he said.

Orton hit the debate issue again during his follow-up remarks.

"When you go to Washington, D.C., this is what you do every day," Orton said. "You debate one another. You have to sell your point. You have to be able to convince, you have to be able to debate and discuss and if you're not up to it the people have a right to know that."

DESERET NEWS

UTAH COUNTY

PHONE NUMBERS:

Advertising 1-800-662-9186
News Bureau 374-1162
Circulation 1-800-662-9076

Deseret News staff writer
BROOKE ADAMS
has you covered in Utah County

ICKLOAD SALE WHILE THEY LAST

CONFERENCE SPECIAL!

Text of Bramble report clearing Karl Snow of wrongdoing

INTRODUCTION

During the 1980 political campaign, prior to the primary elections, certain documents were circulated alleging that Utah's Third Congressional Candidate, Karl N. Snow, may have been involved in questionable business and financial transactions with Michael Strand, an individual who had been previously convicted of felonies related to both stock fraud and income tax evasion. These documents were forwarded to an "Independent Attorney's Committee" for review. This committee concluded that, based on the information provided, there was "no indication of any illegal or improper conduct on the part of Mr. Snow."

In recent weeks, there have been several additional documents circulated which have brought new allegations concerning Snow's involvement and business dealings with Michael Strand. On September 25, 1980, the independent accounting firm of Curtis S. Bramble, Certified Public Accountants, was engaged by Karl Snow to look into specific allegations that:

1) Did Karl Snow receive compensation, in the form of stock [illegible]

Specifically, were 100,000 shares of stock in Global Oil/Unique Battery issued to Snow in exchange for his service as an officer and member of the Board of Directors of the newly reorganized company, and, if so, was this compensation properly reported for income tax purposes?

2) Was Karl Snow involved in fraudulent stock transactions with Michael Strand and his companies, including Global Oil, Unique Battery, and Classic Mining? Specifically, was Karl Snow a participant in a "stock fraud manipulation scheme"?

3) Did Karl Snow have income related to his other stock dealings with Michael Strand which were not properly reported for income tax purposes?

4) Was Karl Snow involved in "insider trading" related to his dealings with Michael Strand?

During their investigation of the above stated allegations, Curt Bramble, CPA, and Byron South, an attorney associated with Mr. Bramble's accounting firm, interviewed several individuals who were personally involved in the Global Oil/Unique Battery dispute. Individuals interviewed included Karl N. Snow, Third Congressional District candidate, Michael Strand, a key figure in stock transactions related to both Global Oil and Unique Battery, John Darger, who [illegible] several documents as President of Unique Battery Systems, Michael Strand for assistance in raising the needed capital. According to James Barber, the attorney engaged by Strand and Darger to draft the documents, a plan was conceived whereby Global Oil Company, Inc., (Global) would acquire all of the outstanding shares of stock of Unique in a tax free reorganization. As part of the proposed reorganization, or merger, outstanding shares of stock in Unique were to have been issued to several individuals in exchange for their involvement in the reorganization.

All outstanding shares of Unique stock were then going to be exchanged for Global stock. Atlas Stock Transfer Corporation (Atlas) was engaged by the parties to facilitate the merger. Declaration documents were executed in conjunction with this planned merger, however, as evidenced by Court documents, consummation of the plan never fully materialized.

Ronald South apparently owned the rights to the formula for manufacturing the new battery. It is unclear whether South actually transferred the formula to Unique, however, allegations of impropriety on the part of Global, Unique, and [illegible] civil suits were filed in the Third Judicial District Court of Salt Lake County. Global was the plaintiff against Unique (Civil No. C-86-4025), and Atlas was the plaintiff against Global (Civil No. C-85-2136).

While it is beyond the scope of this investigation to reach conclusions as to the nature of the relation between Karl Snow and Michael Strand, it is clear that at some point, late in 1981, or early in 1982, Snow was informed of the new battery system by Strand.

Snow stated that he was keenly interested in the potential of the newly developed battery, and began investigating Unique's investment potential. Snow toured Unique's manufacturing facility and met several of Unique's key people.

During this same period, Snow stated that Strand told him of the proposed plan of reorganization of Unique and Global, and that Strand asked him to serve on the board of the reorganized Global Oil Company.

From August, 1981, through September, 1983, Snow purchased stock in both Global Oil and Classic Mining, another company Strand was involved in. Records indicate that he purchased 11,000 shares of stock in Global for $19,945 and 208,675 shares of stock in Classic Mining for $33,800.

ANALYSIS AND CONCLUSIONS

ISSUE ONE

Another issue was whether Snow ever actually received the 100,000 shares of stock in Global Oil/Unique Battery issued to him in exchange for his service as an officer and member of the Board of Directors of the newly reorganized company, and, if so, was this compensation properly reported for income tax purposes?

Snow stated that he was told by Strand that the 100,000 shares of stock were issued to him in anticipation of the reorganization, and that Strand told him that he would receive the shares of stock in another name. There is no evidence to indicate that Snow ever actually received as acknowledged ownership in these shares of stock. Atlas Stock Transfer Company was unable to provide any documentation indicating that Snow actually received the 100,000 shares, nor could Atlas provide any documentation indicating that Snow requested a transfer of the shares. These shares were subsequently transferred to a company known as M & L Investments.

According to Strand, M & L, referred to Michael, and his wife, Lois Strand. To facilitate transfer of the stock, Strand stated that he "asked Snow to endorse the back of some certificates, and execute several blank 'Stock Powers' for the other certificates." Corroborative statements indicate that, while Snow's signature appears on the stock certificate, or stock power, Snow never performed services for the corporation, nor had he actually received or acknowledged ownership of the stock.

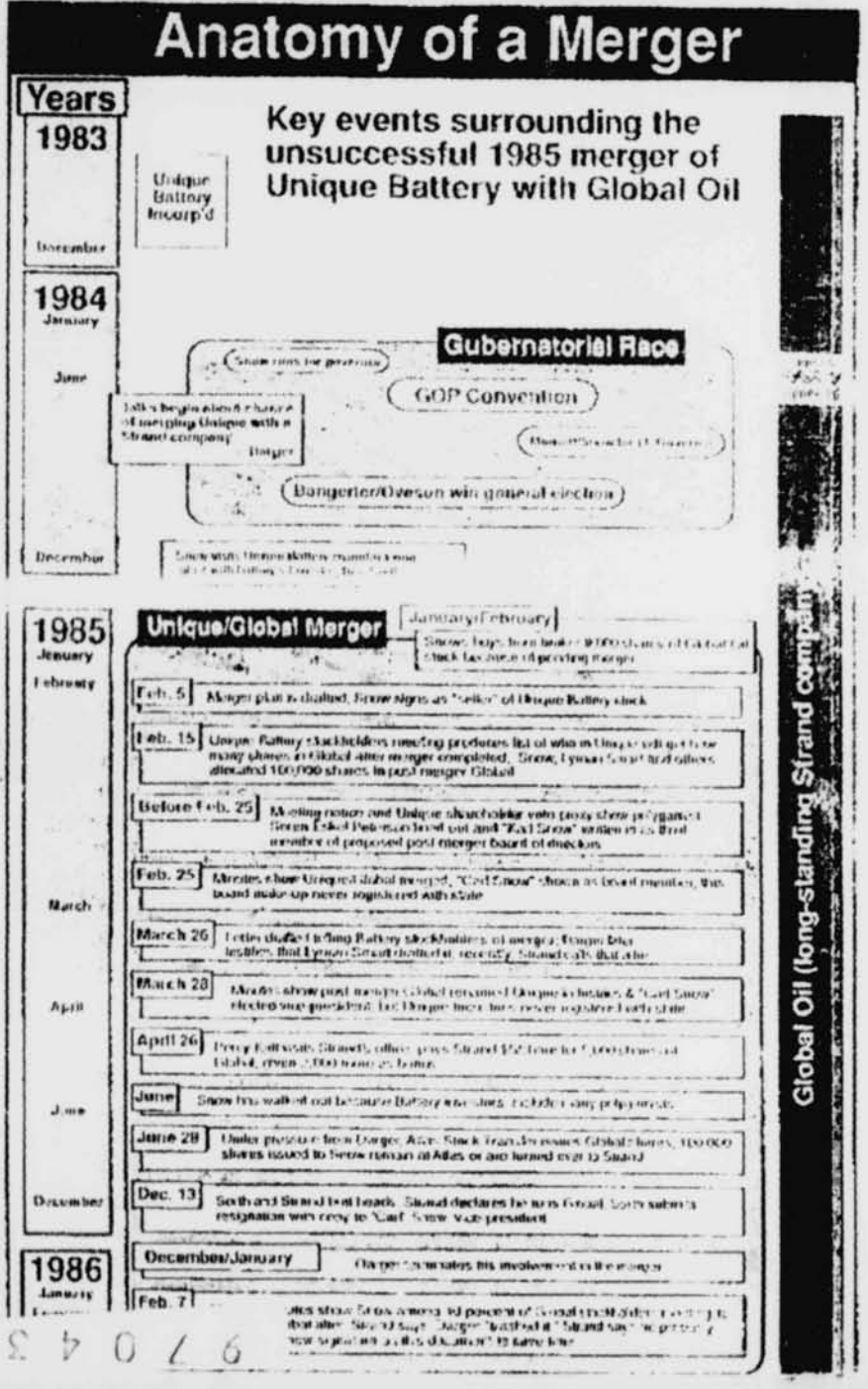
We found no evidence to support allegations that Snow ever participated in the management or operations of either Unique Battery or Global Oil. The Utah Department of Commerce, Division of Corporations and Commercial Code, in reference to Karl Snow being an officer or member of the board of Global Oil Company stated: "In reviewing the complete file of this corporation the name of KARL K. SNOW does not appear in our records as being an officer, or director, or holding any position related to this corporation at any time."

We found no evidence that Snow was a defendant in any of the suits filed regarding Global, Unique, or Atlas. The reason Snow was not a defendant is addressed in response to an interrogatory filed with the Court, and in a letter, dated February 16, 1988, to Frank Kimball, from Shannin Dyslin, Global Oil Secretary. The letter indicates that on August 28, 1986, there was a rescission of the acquisition of Unique Battery Systems by Global Oil Company. The letter also states that the stock in question had been "issued in anticipation of the acquisition," and had been previously surrendered.

We concluded therefore, that the individuals, including Snow, in whose name stock had been issued, but whose shares had been surrendered, were not named as defendants. James Barber indicated that, when the deal between Global and Unique fell through, because they had no claim to the previously issued stock, nor were they involved with the companies several subsequ[illegible]

0 7 0 4 3 8 3 0 3

Anatomy of a Merger



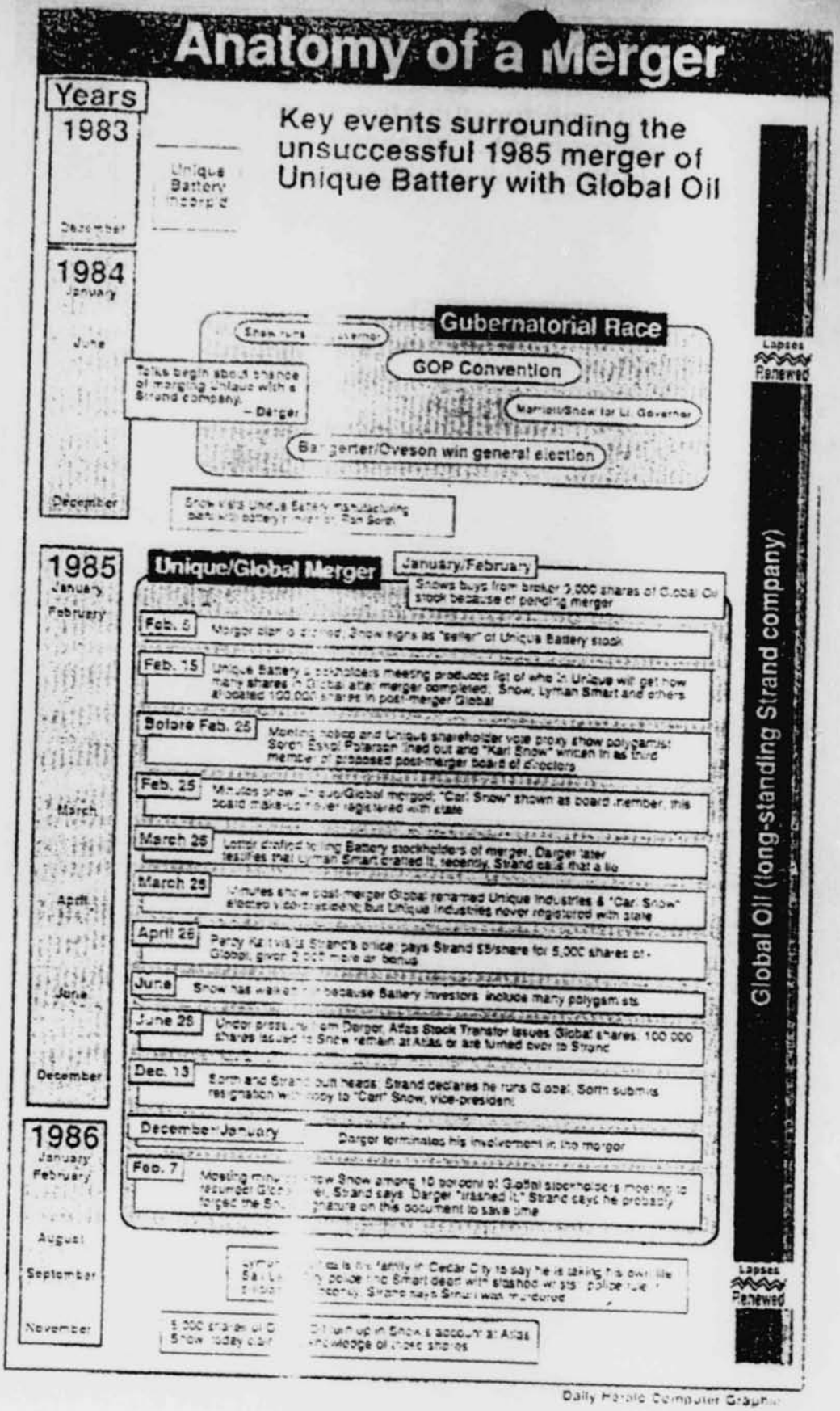
Global Oil (long-standing Strand company)

9704380375

0003/006

Anatomy of a Merger

Key events surrounding the unsuccessful 1985 merger of Unique Battery with Global Oil



Daily Herald Computer Graphic

The truth goes something like this:

Everyone agrees on one thing, it was a good little battery. That's about all they agree on.

The truth is something like this:

In early 1984 Unique Battery comprised inventor Ron Sorth, lawyer Peter Guyon and money-man John Darger.

Darger recalls, "Ron made the batteries and I was the marketing man." Darger's efforts included drumming up investors. Among them was polygamist patriarch Soren Eskel Petersen, whose $125,000 to $500,000 made him the company's chief backer.

In June 1984, Darger testified later, he met Mike Strand.

Darger testified that Strand said he had several companies that could be used to merge with Unique and take the battery public. Global Oil, a long-standing penny stock company.

Strand and Darger agree that Strand said it would be good for the new company to have someone of Karl Snow's stature on the board. Also Lyman Smart who was a Strand associate, a First Security Bank lobbyist, a former BYU professor, close friend to Snow and Snow's former LDS bishop.

Darger and company arranged for Snow, Smart and some Global officers to appear on paper as holders of Unique Stock. That would allow them to avoid paying taxes when they later got stock in the merged company. Snow was to be a director of the new company. He and 10 others signed the Feb. 5, 1985 merger agreement as "sellers" of Unique's assets.

at a Feb. 23 meeting at which "Carl Snow" was elected a director of Global Oil which supposedly now included Unique Battery. Darger moved ahead, holding meetings, typing minutes, and announcing himself to Unique's investors as CEO of the new company.

But he missed a beat. No one bothered to file the papers necessary to formalize the changes in Global Oil. One effect of that was that anyone who bought stock in the "new" Global actually got stock in the old Global, which existed unchanged through the merger.

Long-time Strand attorney Jim Barber took $10,000 from Darger to draw up the merger agreement. But he didn't follow up and file the

MERGER:

(Continued from Page B1)

merger with the state. Barber told the Herald that task was not part of what he was paid to do.

Strand, asked about the failure to register the "Global" with the state, shrugs it off. "What," he asks, "can you expect from people who attend meetings in overalls?"

Sometime apparently about May, Snow learned that Darger and many Unique investors were polygamists. That fact alone, he says today, caused him to wash his hands of the whole deal.

Darger plowed ahead, CEO of a company that did not exist. "There I was," he told the Herald, "CEO of the company and they wouldn't issue the new stock without first calling Strand."

In June, Darger prevailed on Atlas Stock Transfer to issue the shares in the "Global" due to investors in the old Unique. Among the shares issued in June were 100,000 in the name of Karl Snow. These apparently never got out of the safe at Atlas.

At a December meeting, Sorth and Strand get into a fight. Strand lowered the boom. "You don't control this company, I do," he allegedly told Sorth. The father of Unique Battery walked out. On Dec. 13 he typed up a resignation with a copy to Darger, a copy to "Carl Snow, VP," and copies to other officers in the failed merger.

Unique Battery was gone, a straw in the penny stocks wind.

A description of the players involved:

Following is a description of the people named in the text of the CPA report on Karl Snow's financial transactions:

John Darger — A marketer and promoter for Unique Battery Systems Inc. He introduced the Unique Battery to Michael Strand through a connection with a Murray banker.

Darger also was the one who suggested that the company go public to gain more funding.

Darger provided documents to attorneys helping the former 3rd District candidate John Harmer.

Believed to be a polygamist.

Ronald Sorth — Inventor of the battery in the Unique Battery Systems, Inc. His invention was to revolutionize the battery industry. Sorth's last known address was in Missouri. Relatives in Missouri said he no longer lives in the area.

Sorth's battery formula was not disputed by any of the people interviewed. It was a "great little battery."

Gayle Sorth — Wife of Ronald Sorth.

Michael Strand — A rodeo rider, stock promoter, convicted stock manipulator and oil businessman.

Strand activated Global Oil Company as a shell company to be acquired by Unique Battery Systems. According to Strand, Global Oil was struggling and in need of a new diversified product to encourage stock sales.

Lyman F. Smart — A former BYU professor and assistant to former Democratic Gov. Cal Rampton. He also worked for Democratic Rep. David S. King, as a legislative assistant.

Smart lived in Provo for a while and served as Karl Snow's LDS bishop.

Smart and Snow became further acquainted when they served together in the state capital.

Smart died of an apparent suicide in September 1986.

Karl Snow — Assistant Vice president and Director of Development and a former Utah State Senator, and a candidate for Governor, he is currently a 3rd Congressional District candidate.

Snow invested in stocks which Strand was promoting. He wrote letters to the U.S. Attorney and testified in Strand's behalf in his tax conviction appeal.

Snow purchased stocks from Strand.

James Barber — An attorney engaged by both Strand and Darger to draft the merger agreement between Global Oil and Unique Battery. Barber also was a defense attorney for Strand, and is listed as the registered agent for Global Oil.

Peter Guyon — Attorney for Unique Battery Systems Inc.

Herb Gleason — An investor in Unique Battery. He introduced John Darger to Percy Kalt.

Was also present when Darger was introduced to Strand.

Gleason's participation is undetermined although he claims he met Snow and Strand together on several occasions.

Delano Findley — An attorney who warned Darger and Gleason not to get involved with Michael Strand. Findley is a former securities investigator for the FSC. He quit after federal authorities would not pursue a conviction on Strand.

Soren Eskel Petersen — Principal investor in the Unique Battery. He may have lost $600,000 investing in the battery. Believed to be polygamist. His family filed suit against Global Oil Company.

Sharmin Dyslin — A secretary hired by Darger and later employed by Michael Strand.

Frank Kimball — Owner of Atlas Stock Transfer Company.

Mery Clark — a friend of Lyman Smart, and relative to Strand's wife.

Lois Linford Strand — Wife of Michael Strand.

Percy Kalt — a former BYU professor, an investor in Global Oil, lost $25,000 when the Global stock went bad. Kalt later in frustration, tossed fire bombs in 1988 at the home of Michael Strand. Kalt was convicted for the incident.

9/04/38SU3/6

Text of Bramble report clearing Karl S

INTRODUCTION

During the 1990 political campaign, prior to the primary elections, certain documents were circulated alleging that Utah's Third Congressional Candidate, Karl N. Snow, may have been involved in questionable business and financial transactions with Michael Strand, an individual who had been previously convicted of felonies related to both stock fraud and income tax evasion. These documents were forwarded to an "Independent Attorney's Committee" for review. This committee concluded that, based on the information provided, there was "no indication of any illegal or improper conduct on the part of Mr. Snow."

In recent weeks, there have been several additional documents circulated which have brought new allegations concerning Snow's involvement and business dealings with Michael Strand. On September 25, 1990, the independent accounting firm of Curtis S. Bramble, Certified Public Accountants, was engaged by Karl Snow to look into specific allegations that:

1) Did Karl Snow receive compensation, in the form of stock certificates, in connection with services performed in the Global Oil/Unique Battery reorganization? Specifically, were 100,000 shares of stock in Global Oil/Unique Battery issued to Snow in exchange for his service as an officer and member of the Board of Directors of the newly reorganized company, and, if so, was this compensation properly reported for income tax purposes?

2) Was Karl Snow involved in fraudulent stock transactions with Michael Strand and his companies, including Global Oil, Unique Battery, and Classic Mining? Specifically, was Karl Snow a participant in a "stock fraud manipulation scheme"?

3) Did Karl Snow have income related to his other stock dealings with Michael Strand which were not properly reported for income tax purposes?

4) Was Karl Snow involved in "insider trading" related to his dealings with Michael Strand?

During their investigation of the above stated allegations, Curt Bramble, CPA, and Byron Smith, an attorney associated with Mr. Bramble's accounting firm, interviewed several individuals who were personally involved in the Global Oil/Unique Battery dispute. Individuals interviewed included: Karl N. Snow, Third Congressional District candidate; Michael Strand, a key figure in stock transactions related to both Global Oil and Unique Battery; John Darger, who signed several documents as "President" of Unique Battery Systems, Inc.; James Barber, a securities and trial attorney who was apparently engaged by both Michael Strand and John Darger to draft the documents for a proposed acquisition and reorganization of Unique Battery Systems, Inc. by Global Oil, Inc.; Frank Kimball, owner of Atlas Stock Transfer, the stock transfer company involved in actually issuing and recording Global Oil's stock transactions; and the State of Utah, Division of Corporations and Commercial Code.

In addition, Mr. Bramble and Mr. Smith researched leads on independent sources of documentation, reviewed court records, and reviewed documents provided by Karl Snow, Michael Strand, the Independent Attorney's Committee, Atlas Stock Transfer Company, the Provo Daily Herald, the Utah Department of Commerce, Division of Corporations and Commercial Code, and previously circulated documents from anonymous sources.

BACKGROUND

In 1983, Unique Battery Systems, Inc., (Unique) was formed by John Darger, Ronald Sorth, and Gayle Sorth. The purpose of this corporation was to manufacture and market a new type of battery which had been developed by Ronald Sorth. Manufacturing and marketing this "unique battery" required substantial infusions of capital.

In 1984, John Darger approached Michael Strand for assistance in raising the needed capital. According to James Barber, the attorney engaged by Strand and Darger to draft the documents, a plan was conceived whereby Global Oil Company, Inc., (Global) would acquire all of the outstanding shares of stock of Unique in a tax-free reorganization. As part of the proposed reorganization, or merger, outstanding shares of stock in Unique were to have been issued to several individuals in exchange for their involvement in the reorganization.

All outstanding shares of Unique stock were then going to be exchanged for Global stock. Atlas Stock Transfer Corporation (Atlas) was engaged by the parties to facilitate the merger. Certain documents were executed in conjunction with this planned merger, however, as evidenced by Court documents, consumation of the plan never fully materialized.

Ronald Sorth apparently owned the rights to the formula for manufacturing the new battery. It is unclear whether Sorth actually transferred the formula to Unique, however, allegations of impropriety on the part of Global, Unique, and Atlas surfaced and the various parties entered into litigation.

In two separate causes of action, civil suits were filed in the Third Judicial District Court of Salt Lake County. Global was the plaintiff against Unique (Civil No. C-86-4029), and Atlas was the plaintiff against Global (Civil No. C-88-2116).

While it is beyond the scope of this investigation to reach conclusions as to the nature of the relation between Karl Snow and Michael Strand, it is clear that at some point, late in 1984, or early in 1985, Snow was informed of the new battery system by Strand.

Snow stated that he was keenly interested in the potential of the newly developed battery, and began investigating Unique's investment potential. Snow toured Unique's manufacturing facility and met several of Unique's key people.

During this same period, Snow stated that Strand told him of the proposed plan of reorganization of Unique and Global, and that Strand asked him to serve on the board of the reorganized Global Oil Company.

From August, 1984, through September, 1985, Snow purchased stock in both Global Oil and Classic Mining, another company Strand was involved in. Records indicate that he purchased 11,000 shares of stock in Global for $19,545, and 360,625 shares of stock in Classic Mining for $33,000.

ANALYSIS AND CONCLUSIONS

ISSUE ONE

Did Karl Snow receive compensation, in the form of stock certificates, in connection with services performed in the Global Oil/Unique Battery reorganization? Specifically, were 100,000 shares of stock in Global Oil/Unique Battery issued to Snow in exchange for his service as an officer and member of the Board of Directors of the newly reorganized company, and, if so, was this compensation properly reported for income tax purposes?

As indicated above, Snow had been asked to serve as a member of the Board of Directors of the reorganized Global Oil Company. In exchange for accepting this position, he was offered 100,000 shares of stock in Unique, which were then to have been exchanged for 100,000 shares of stock in the reorganized Global Oil Company.

In light of his position at Brigham Young University, and after careful consideration, Snow informed those involved that he could not accept the offer.

We have been unable to ascer whether Unique Battery stock ever actually issued, however, June 28, 1985, 100,000 shares stock in Global were issued in name of Karl Snow. Once 100,000 shares were issued Snow's name, either the shares h to be cancelled by the company, Snow would have had to endor the shares to transfer them to another name. There is no e dence to indicate that Snow ev actually received or acknowledg ownership in these shares of sto Atlas Stock Transfer Campany w unable to provide any document tion indicating that Snow actua received the 100,000 shares, n could Atlas provide any docume tation indicating that Snow reque ed a transfer of the shares. The shares were subsequently trar ferred to a company known as M L Investments.

According to Strand, M & referred to Michael, and his wif Lois Strand. To facilitate transf of the stock, Strand stated that asked Snow to endorse the bac of some certificates, and execu several blank 'Stock Powers' f the other certificates." Corrobor tive statements indicate that, whi Snow's signature appears on t stock certificate, or stock powe Snow never performed services f the corporation, nor had he actua ly received or acknowledged own ership of the stock.

We found no evidence to suppor allegations that Snow ever partic pated in the management or opera tions of either Unique Battery, c Global Oil. The Utah Departmer of Commerce, Division of Corpora tions and Commercial Code, i reference to Karl Snow being a officer or member of the board c Global Oil Company stated: "I reviewing the complete file of thi corporation the name of KARL N SNOW does not appear in ou records as being an officer, o director, or holding any positio related to this corporation at any time."

We found no evidence that Snow was a defendant in any of the suits filed regarling Global, Unique, o Atlas. The reason Snow was not a defendant is addressed in respons to an interrogatory filed with the Court, and in a letter, dated Febru ary 16, 1988, to Frank Kimball from Sharmin Dyslin, Global Oil secretary. The letter indicates that on August 28, 1986, there was a recision of the acquisition of Unique Battery Systems by Global Oil Company. The letter also states that the stock in question had been issued in anticipation of the acquisition," and had been previously surrendered.

We concluded the stock that the individuals including Snow, in whose name stock [illegible] issued, but whose shares [illegible] surrendered, were not named as defendants. James Barber indicated that when the deal between Global and Unique fell through, because they laid no claim to the previously issued stock, nor were they involved with the companies, several individuals, including Snow, were not named as defendants in the ensuing legal battles.

Based on the available documentation, and on responses received in interviews with involved individuals, we have no indication that Snow was involved in any illegal or improper activities. We further conclude that Snow was not an officer or director of either Global or Unique, that Snow did not perform any services for either of these companies; that stock was issued in the name Karl Snow and subsequently transferred; that the transfer of stock from the name Karl Snow has no tax implications for Snow; that Snow did not receive compensation in the form of stock in exchange for any services, and therefore does not have any unreported income for tax purposes.

ISSUE TWO

Was Karl Snow involved in fraudulent stock transactions with Michael Strand and his companies including Global Oil, Unique Battery, and Classic Mining? Specifically, was Karl Snow a participant in a stock fraud manipulation scheme?

As indicated above, Karl Snow purchased certain shares of stock in both Global Oil Company and Classic Mining Company. The shares of stock in Global were purchased through Edward Brown Securities during 1985. Stock in Classic Mining was purchased directly from Michael Strand during 1984.

During our investigation, we discovered additional shares of stock in both Global Oil Company and Classic Mining which were issued in the name of Karl Snow. Specifically, during 1985 and 1986, shares of stock in both Classic Mining and Global Oil Company were issued in the name of Karl Snow. As of the date of this report, 12,500 such shares of Global Oil Company stock and 500,000 such shares of Classic Mining Company stock are still outstanding. Snow indicated that he knew nothing of these additional shares of stock. Atlas Stock Transfer was unable to provide any documentation that Snow actually received the shares in question, nor could they provide any documentation that indicated that Snow requested the stock transferred to other individuals.

To date, we have been unable to locate these shares of stock, however, we are convinced that the stock was transferred into [illegible] Snow's name without his knowledge. Based on the evidence presented and statements by involved individuals, Snow's name may have been used on a "nominee" without Snow's knowledge. None of the information reviewed or interviews given indicate that Karl Snow was involved in any

(See REPORT, Page B2)

REPORT:

(Continued from Page B1)

form of illegal stock manipulation.

ISSUE THREE

Did Karl Snow have income related to his other stock dealings with Michael Strand which were not properly reported for income tax purposes?

As indicated above, between August, 1984 and September, 1985, Snow purchased 11,000 shares of stock in Global Oil Company, for $19,545, and 350,625 shares of stock in Classic Mining, for $33,000. On November 30, 1987, Snow sold 2,000 shares of Global Oil Company stock for $2,500. These shares had been purchased on September 26, 1985, for $4,136.

On his 1987 income tax return, Snow properly reported the loss of $1,636 as a long term capital loss. In 1989, Snow determined that the remaining shares of stock in Global Oil Company were no longer being traded, and that the remaining shares he held were worthless. Based on these facts, Snow properly reported $15,409 as a long term capital loss in 1989, the year they became worthless. Karl Snow still holds his original shares of Classic Mining stock, and has had no taxable transactions relative to these shares.

Based on the available documentation, and on responses received in interviews with several individuals, we have no indication that Snow was involved in any taxable stock transactions other than those identified above.

We have no indication of any unreported income, or any illegal or improper activities related to Snow's stock dealings. Further, we conclude that Snow lost money on his investments with Global Oil Company and he may yet lose his investment in Classic Mining stock, but in any event, he properly reported all stock transactions for income tax purposes.

ISSUE FOUR

Was Karl Snow involved in "insider trading" related to his dealings with Michael Strand?

At the time Snow was given information concerning the proposed acquisition of Unique Battery Systems, Inc., by Global Oil Company, it is apparent that several people knew of the merger. Court documents indicate that several individuals may have actually invested in Unique in anticipation of the pending merger. Many of these individuals were apparently investing in the company several months prior to the date of the proposed plan of reorganization. Involved parties were actively soliciting funds in anticipation of the merger.

For example, in an affidavit submitted to the Court, John Darger indicated that in August, 1984, he was discussing the potential investment opportunity with one Kerri Ransdell and her family. Darger specifically indicated that the investment would be made in a "public company which would acquire Unique Battery." Ransdell apparently invested in Unique Battery based on Darger's representations of the acquisition of Unique Battery by Global Oil.

This and other documents indicate that knowledge of the proposed merger was effectively public knowledge at the time Snow purchased stock in Global Oil Company. We have no indication that Snow was in a position to have "insider" information, nor is there any evidence that he may have profited by such information. We further conclude that there is no indication of any illegal or improper conduct on the part of Snow in either his investigation of Unique Battery Systems, Inc., prior to purchasing stock, or in his purchase of stock in Global Oil Company.

CONCLUSIONS

The disputes between Global Oil Company, Inc., Unique Battery Systems, Inc., and Atlas Stock Transfer Corporation are rather complex. However, based on review of all documents obtained, and through interviews with individuals on all sides of the litigation, we have concluded that Karl Snow was not a participant in, nor did he acknowledge an ownership interest in Global Oil Company, other than through the 11,000 shares of stock which he had purchased through a broker. It is also apparent that Karl Snow's name was used without his knowledge. There is no indication of any illegal or improper conduct, nor was there any failure to properly report taxable transactions by Karl Snow of which we became aware of during our investigation.

Respectfully submitted:

Curtis S. Bramble

Certified Public Accountants

9704383037 8

BILL ORTON
FOR CONGRESS

9704383039

To: DAN DARGER
531-6690

From: BOCH

Pages including cover: 1

420 North Freedom Blvd., Suite 7
Provo, Utah 84601
(801) 374-1990

Paid for by Orton for Congress Committee



Jack Hyatt (505) 827-7140 Jack Hyatt
(505) 473-9755
2758 La Silla Dorado
Santa Fe NM 87505
Director of Economic Research for State of Avis

9704383030

16112

Bob James -

Bill Mac - (H) 1-226-1112

Campaign → 374-1990

Ralphie
"Hon Cond"

Jay Smith
Securities - 530-6600
Securities Division
Jack Hiatt
715 St Michaels Dr.
Santa Fe 87501
(W) 505-827-7140
" 505-473-9755
Roger Division 505-827-7153

James Roberts - 484-1200

0704920301

(1)

9/4 pc/ Jay Smith OCP/Smith

Proving someone is a nominee is tough. Checks issued - trace funds to see if claimed on income taxes -

Chks issued for 9,099 - + buys Cadens Chk - 20% is kept by Nominee & remainder given to principal

Key to nominee transaction is that there was no profit for Stock.

→ Check - local broker accts for Snow's ie lots of sales but no buys of penny stocks -

→ could act as middle nominee - until price is moved - then change nominee to sell.

→ Chk Stock transfer records + Directors Minutes re: buying & selling →

Atlas - Transferred.

Cert. only has one number per each owner

10/12 pc/ Hyatt - he gave tape to KSL reporter - → buys Rocket - Con Downs has already done a story - Connections ran right up to Norm Bangerter Howard Nielson + Jim Bates - were always on Boards of Corps. that were very questionable

Mutual Save Loan benefit

9704383038 2

(2)

Jack Hiatt contact — Sherwood Cook — He is in Nevada - Director of Nevada Security 702-486-4400 = Securities Division Asked for his private practice US. He was Jacks deputy at Dept. Royce Griffin is on Jacks Staff (Trade pres of NASA -

→ 827-7153 - He later pres of Stock Brokers

10/15 R/Sec State - Kathleen Ciani Sherwood Cook-
" R/ Royce Griffin Lost
pick/Sherwood Mark Griffin at BES
office or Connie White @ Dept Sec Div.
10/16 R/Bill

To person willing to make public comment dist. Bramble Rpt.

① Darlene pick ✓ Ship to Royce (State Party
James Roberts 484-1200
- Results of Review must be out of our week
" R/ Jack Lowe
" R/ Royce Griffin Bruny
" R/ Jack -
" R/ James Roberts -

9704383033

(3)

PCF/Hiatt - Royce is a Mad Dog - Jack is leary of turning him loose -
Jack → Fax No. 575 984-0617.
PCF/ Spencer - Rod Decker called →
He wants to talk into Hire Have a hunter -
Sheldon Hor sell - gave me update
10/19
10/26 PCF/Murdock Hor →
12/2/92 Meet Bill re: conversation w/ J.D.

9704383038 1

GENERAL PRACTICE WITH
LITIGATION EMPHASIS

DANIEL DARGER
ATTORNEY AT LAW

100 COMMERCIAL CLUB BUILDING
32 EXCHANGE PLACE
SALT LAKE CITY, UTAH 84111

TELEPHONE:
(801) 531-6686

FAX:
(801) 531-6690

March 15, 1993

Sheldon Kinsel
51 S. University Ave.
Suite 317
Provo, Utah 84606

Dear Sheldon:

It sounds like we have things to talk about. The next time you are in Salt Lake, and have the time, please give me a call. I would love to buy you lunch at my favorite mexican restaurant, The Red Iguana.

Very truly yours,

DANIEL DARGER

9/U43830335

FEDERAL EXPRESS

AIRBILL

USE THIS AIRBILL FOR DOMESTIC SHIPMENTS WITHIN THE CONTINENTAL U.S.A., ALASKA AND HAWAII.
USE THE INTERNATIONAL AIR WAYBILL FOR SHIPMENTS TO PUERTO RICO.
QUESTIONS? CALL 800-238-5355 TOLL FREE.

PACKAGE TRACKING NUMBER 9531605705

9107M 9531605705

SENDER'S COPY

Sender's Federal Express Account Number: 1015-5019-2

Date: 10/19/90

1 From (Your Name) Please Print: [illegible]

Your Phone Number (Very Important): ( )

Company: CARL R BUCKLAND ATTY AT LAW

Department/Floor No.:

Street Address: 32 EXCHANGE PL STE 100

City: SALT LAKE CITY State: UT ZIP Required: 8 4 1 1 1

2 To (Recipient's Name) Please Print: Kaye Griffin Lubert

Recipient's Phone Number (Very Important): ( )

Company: O'Hare Hilton

Department/Floor No.:

Exact Street Address (We Cannot Deliver to P.O. Boxes or P.O. * Zip Codes.): O'Hare International Airport

City: Chicago State: IL ZIP Required: 60666

3 YOUR BILLING REFERENCE INFORMATION (FIRST 24 CHARACTERS WILL APPEAR ON INVOICE.)

4 IF HOLD FOR PICK-UP, Print FEDEX Address Here

Street Address:

City: State: ZIP Required:

PAYMENT ☐ Bill Sender ☐ Bill Recipient's FedEx Acct. No. ☐ Bill 3rd Party FedEx Acct. No. ☐ Bill Credit Card ☐ Cash

5 SERVICES

1 ☐ PRIORITY 1 (Overnight Delivery) 6 ☐ OVERNIGHT LETTER*
2 ☐ COURIER-PAK OVERNIGHT ENVELOPE* 7 ☐
3 ☐ OVERNIGHT BOX 8 ☐
4 ☐ OVERNIGHT TUBE 9 ☐
5 ☐ STANDARD AIR (Delivery not later than second business day) 10 ☐
*Declared Value Limit $100

DELIVERY AND SPECIAL HANDLING

1 ☐ HOLD FOR PICK-UP (Fill in Box 4)
2 ☐ DELIVER WEEKDAY
3 DELIVER SATURDAY (Extra charge) ☒
4 ☐ DANGEROUS GOODS (Extra charge)
5 ☐ CONSTANT SURVEILLANCE SERVICE (CSS) (Extra charge) (Release Signature Not Applicable)
6 ☐ DRY ICE ____ Lbs.
7 ☐ OTHER SPECIAL SERVICE ____
8 ☐
9 ☐ SATURDAY PICK-UP (Extra charge)
10 ☐
11 ☐
12 ☐ HOLIDAY (Extra charge)

PACKAGES	WEIGHT	YOUR DECLARED VALUE (See right)	OVER $100
	LBS		
	LBS		
	LBS		
	LBS		
Total	Total	Total	

Received At: 1 ☐ Regular Stop 2 ☐ On-Call Stop 3 ☐ Drop Box 4 ☐ B.S.C. 5 ☐ Station

FEDEX Corp. Employee No.:

SERVICE CONDITIONS, DECLARED VALUE AND LIMIT OF LIABILITY

Use of this airbill constitutes your agreement to the service conditions in our current Service Guide which is available upon request. See back of sender's copy of this airbill for further information.

We will not be responsible for any claim in excess of $100 per package, whether the result of loss, damage, delay or non-delivery, unless you specify a higher amount in the space to the left, pay 40¢ per additional $100 specified and document your actual loss in the event of a claim. Maximum amount limitations found in the current Federal Express Service Guide apply. Your rights to recover from Federal Express for loss of the intrinsic value of the package, as well as for loss of sales, income, interest, profit, attorney's fees, costs and any other form of damage whether direct, incidental, consequential or special is limited to the greater of $100 or the declared value specified to the left. In no event shall your recovery exceed your actual loss.

In the event of untimely delivery, Federal Express will at your request and with some limitations, refund all transportation charges paid. See Service Guide for further information.

6 Sender authorizes Federal Express to deliver this shipment without obtaining a delivery signature and shall indemnify and hold harmless Federal Express from any [illegible]

Signature: 6

Federal Express Use

Base Charges	
Declared Value Charge	
Other 1	
Other 2	
Total Charges	

PART #111800
REVISED DATE 1/88
PRINTED IN U.S.A. NCREC
009
© 1988 F.E.C.

SENDER'S COPY

970473830396

10/18/90 Fed Ex

PKF / Royce Griffin →

Text of Bramble Report -

- Anatomy of a Merger

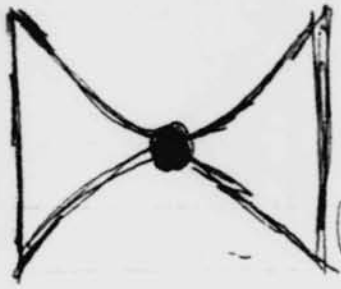
Karl Snows Signature
Faiker original -

Fed X to Hotel

Ohare Hilton →

CHICAGO, Ill.

312-686-8000



- Event -

Upon arrival to Event

Ohare Hilton
O'Hare Int'l. Airport
Chi. Ill 60666

Intense

9/10438303871

GENERAL PRACTICE WITH
LITIGATION EMPHASIS

DANIEL DARGER
ATTORNEY AT LAW

1000 BOSTON BUILDING
9 EXCHANGE PLACE
SALT LAKE CITY, UTAH 84111

TELEPHONE:
(801)531-6684

FAX:
(801)531-6690

May 26, 1995

Lawrence L. Calvert
Federal Election Commission
999 East Street NW
Room 819
Washington, DC 20004

MUR 3192

JUN 2 9 45 AM '95

RE: 1990 Election / Congressman Orton

Dear Mr. Calvert:

Enclosed is another document which I believe may be responsive to your subpoena. If you have any questions, please contact me.

Very truly yours,

DANIEL DARGER
Attorney at Law

DD/mv

9704383038

PLAN AND AGREEMENT OF REORGANIZATION

GLOBAL OIL COMPANY, a Utah corporation, (hereinafter sometimes called "buyer"), UNIQUE BATTERY SYSTEMS, INC., a Utah corporation, (hereinafter sometimes called "U.B.S.I."), and Twenty-three natural persons who are the individual owners of all the issued and outstanding shares of U.B.S.I., (hereinafter sometimes called "Sellers"), hereby agree as follows:

ARTICLE I

PLAN OF REORGANIZATION

Plan Adopted

Section 1.01: A plan of reorganization of Buyer, U.B.S.I., and Sellers is adopted as follows:

a. Sellers will transfer to Buyer all of their right, title and interest in and to 45,864 common shares of U.B.S.I. comprising one hundred percent (100%) of the issued and outstanding shares thereof, pursuant to the terms and conditions hereinafter set forth.

b. In exchange for the shares transferred by Sellers pursuant to this agreement, Buyer will cause to be issued and delivered to Sellers pro rata to their ownership of shares of U.B.S.I., Thirteen million, seven hundred fifty-nine thousand, one hundred seventy-six (13,759,176) shares of Buyer's five cent ($.05) par value common stock, to be delivered at the close. The 13,759,176 shares of Buyer to be issued cumulatively to Sellers shall constitute not less than 81.2% of the total shares of Buyer which will be

9704383039

outstanding immediately after closing. The said common stock of Buyer shall, when issued, be validly authorized and issued, fully paid and non-assessable.

Closing Date

Section 1.02: This plan of reorganization shall be closed and consummated when signed by all the parties. The date of such consummation is the "closing date" or "closing" as referred to herein. "Final Closing" shall occur when this agreement has been ratified by a majority of the outstanding shares of Buyer.

ARTICLE II

COVENANTS, REPRESENTATIONS AND WARRANTIES OF BUYER

Legal Status

Section 2.01: Buyer is a corporation duly organized, validly existing and in good standing under the laws of Utah with lawful power to conduct all businesses in which it is engaged in all jurisdictions in which it is found.

Section 2.02: Buyer has an authorized capitalization of 6,000,000 common shares of five cent ($.05) par value. Prior to or contemporaneously with the final close, its capital will be $1,000,000 divided into 20,000,000 common shares of a par value of five cents ($.05) per share. There are now and will be at closing not more than 3,176,000 such shares outstanding. Buyer warrants that there will, immediately after the closing of this agreement, be not more than 16,935,176 common shares of Buyer outstanding.

9704383039 0

There are no further contracts or other documents requiring the issuance of further shares of Buyer. There are no outstanding options, warrants or securities convertible into common stock of Buyer.

Financial Condition

Section 2.03: The unaudited financial statement of Buyer as at December 31, 1983, attached hereto as Exhibit I, fully and accurately represents the financial condition of Global Oil Company at the date indicated. There are not, and will not have been any material changes in such financial condition from that date to the date of closing.

Performance Not Violative of Any Instrument

Section 2.04: The performance by Buyer of its obligations under this agreement will not result in any breach of the terms or conditions of, or constitute a default under, any agreement or instrument to which Buyer is a party, or by the terms of which Buyer is bound.

Material Contracts

Section 2.05: Buyer is not, and at the closing date will not be a party to, or bound by any material, oral or written contract for the employment of any officer or employee or commitment for any special bonus, compensation or severance pay; or any pension, profit-sharing, retirement or stock purchase plan with its employees or others; or any contract with any labor union.

9704383031

Litigation

Section 2.06: There are not now, and at the closing there will not be any material claims, actions, proceedings or investigations pending or threatened against Buyer in any court or regulatory agency, nor any orders, writs or injunctions issued out of any such court or agency affecting Buyer.

Taxes

Section 2.07: Buyer does not owe any state, federal or local taxes and has filed all tax returns required to be filed by it excepting those related to accrued taxes for the current year, filings on which are not yet due.

Securities to be Issued

Section 2.08: The shares of Buyer to be issued pursuant to this agreement are of five cent ($.05) par value and have equal voting rights as all other shares of Buyer outstanding. Sellers hereby acknowledge their awareness that the said shares will not, when issued, have been registered under either the Securities Act of 1933 or under the Uniform Securities Act of any state; but are being issued in reliance on the exemption from federal registration provided by Section 4(2) of the Securities Act of 1933 for transactions not involving any public offering and from state registration by applicable isolated transaction exemptions. In connection therewith, Sellers individually acknowledge, warrant and represent as follows:

9704383092

a. They have received and reviewed, as to Buyer, certain information prepared by Buyer pursuant to Rule 15c2-11 of the Exchange Act, including financial statements.

b. Sellers are persons of sufficient business experience to evaluate this transaction. Each Seller is financially able to bear the risk of his investments in Buyer's common shares.

c. Each of the Sellers is purchasing Buyer's shares for his own account, for purposes of investment and not with a view to distribution.

d. Each Seller consents to the placement on eac certificate representing his shares of Buyer of a standar form investment legend stating that the shares are no registered under the Securities Act of 1933 and cannot be sold hypothecated or transferred without registration or under a appropriate exemption from registration. Each Seller acknowledges his familiarity with Rules 144 and 237 of the S.E.C. which generally govern resale of restricted securities. Each Seller further concedes that Buyer has not represented, directly or indirectly, that the exemption provided by either rule will ever be available to him or his assignees.

e. Each Seller hereby consents to the placement of "stop-transfer" instruction as to all shares issued to him hereunder.

9704383093

ARTICLE III

ACCESS TO BUSINESS RECORDS OF BUYER PENDING THE CLOSING

Section 3.01: Buyer will afford Sellers or their accredited representatives, pending closing, full access during normal business hours to all properties, books, accounts, contracts, commitments and records of every kind of Buyer.

Section 3.02: In addition, Buyer will permit Sellers to make extracts or copies of all such documents and to supply such additional information or material as may be reasonably necessary to fully inform Sellers of the condition of Buyer. Each Seller agrees to hold and use all such information in confidence.

ARTICLE IV

COVENANTS, REPRESENTATIONS AND WARRANTIES OF UNIQUE BATTERY SYSTEMS, INC.

Legal Status

Section 4.01: Unique Battery Systems, Inc. is a corporation duly organized, validly existing and in good standing under the laws of Utah with lawful power to conduct all business in which it is engaged, and in all jurisdictions in which it is found.

Section 4.02: There are now and will be at closing not more than 45,864 common shares outstanding in the hands of not more than twenty-three registered and/or beneficial holders.

9704383039 4

U.B.S.I. is not under any obligation, contractual or otherwise, to issue any additional stock, or securities convertible into stock, and there are outstanding no options, warrants or securities convertible into common stock of U.B.S.I..

Financial Condition

Section 4.03: The consolidated financial statement of U.B.S.I., attached hereto as Exhibit II, fully and accurately represents the financial condition of U.B.S.I. at the date indicated. There have been no material changes in such financial condition from that date to the date of closing, except those arising from the ordinary conduct of its business.

Performance Not Violative of Any Instrument

Section 4.04: This plan and agreement of reorganization will not result in any breach of the terms or conditions of, or constitute a default under, any agreement or instrument to which U.B.S.I. is a party, or by the terms of which it is bound.

Material Contracts

Section 4.05: U.B.S.I. is not, and at the closing date will not be a party to, or bound by any material, oral or written contract for the employment of any officer or employee or commitment for any special bonus, compensation or severance pay; or any pension, profit-sharing, retirement or stock purchase plan with its employees or others; or any contract with any labor union.

Litigation

9704383095

Section 4.06: There are not now, and at the closing there will not be any material claims, actions, proceedings or investigations pending or threatened against U.B.S.I. in any court or regulatory agency, nor any orders, writs or injunctions issued out of any such court or agency affecting U.B.S.I.

Taxes

Section 4.07: U.B.S.I. does not owe any state, federal or local taxes and has filed all tax returns required to be filed by it except accrued taxes for the current year as to which filings are not yet due.

ARTICLE V

CONDUCT OF BUSINESS OF UNIQUE BATTERY SYSTEMS, INC. PENDING THE CLOSING

Section 5.01: U.B.S.I. shall be entitled to conduct its regular and ordinary business pending the closing.

Section 5.02: U.B.S.I. will afford Buyer and its accredited representative, pending closing, full access during normal business hours to all its properties, books, accounts, contracts, commitments and records of every kind.

Section 5.03: In addition, U.B.S.I., will permit Buyer to make extracts or copies of all such documents and to supply such additional information or material as may be reasonably necessary to fully inform Buyer of the condition of U.B.S.I. Buyer agrees to hold and use all such information in

9704383039 6

confidence.

ARTICLE VI

LEGAL OPINIONS

Section 6.01: The obligations of the parties hereunder shall be, at their individual discretion, subject to their respective receipt of opinions of their counsel in form satisfactory to them to the effect that the shares of stock to be delivered hereunder will, when delivered, be validly issued, fully paid and non-assessable voting shares of the other party after delivery pursuant hereto.

ARTICLE VII

MISCELLANEOUS

Section 7.01: Notices. Any notice or other communications required hereby shall be deemed delivered when deposited in the United States mails for transmittal by certified or registered mail, postage prepaid, return receipt requested, addressed to the respective corporate and individual parties hereto as set forth on Exhibit III hereof.

Section 7.02: Entire Agreement Counterparts. This instrument and the exhibits and schedules hereto contain the entire agreement of the parties. It may be executed in any number of counterparts, each of which shall be deemed original, but such counterparts together constitute only one and the same instrument.

9704383037

Section 7.03: Controlling Law. The valididity, interpretation of terms and performance of this agreement shall be governed by and constructed under the laws of Utah .

WHEREFORE, we have set our hands hereunto this 5 day of February, 1985.

GLOBAL OIL COMPANY

Frank W. Whitten
President

ATTEST:

Secretary

UNIQUE BATTERY SYSTEMS, INC.

John D. Darger
President

ATTEST:

Ronald W Sorsh
Secretary

SELLERS:

John D. Darger

Ronald W Sorsh

9704388303098

Soren Eskel Peterson

Abel Raymond Ellsworth

Paul Pulsipher

Kare N. Snow, Jr.

Franklin V. Lambert

Franklin D. Lambert

Kerri Ransdell

Ronald E. Ward

Frank W. Peterson

9704383039

9704383004000

MINUTES OF A

SPECIAL MEETING OF THE STOCKHOLDERS

OF

GLOBAL OIL COMPANY

a Utah corporation

A special meeting of the stockholders of Global Oil Company was held on the 25th day of February, 1985, at the Hilton Hotel, Salt Lake City, Utah at 10:00 a.m. Frank M. Whitney, President of the corporation, acted as Chairman of the meeting. John D. Darger was appointed to record minutes.

As the first order of business, the Chairman directed that a roll be kept of the stockholders present. Thereupon, it was determined that stockholders representing 10,000 shares of the meeting were present in person. A tally was made of shares represented by validly executed proxies from which it was determined that 1,653,975 shares of the corporation were present by proxy. The stockholders' records show there to be 3,172,600 shares of the corporation validly issued and outstanding and entitled to vote at the meeting. There being 1,663,975 shares present either in person or by proxy, the Chairman declared a quorum and directed that the meeting proceed, hearing no objections from the floor.

Thereupon, the following business was transacted:
The chairman presented to the meeting a plan and agreement of reorganization between Global and Unique Battery Systems, Inc, (U.B.S.I.) signed subject to stockholder approval, pursuant to which 100% of the outstanding shares of U.B.S.I. will be acquired

9704383040 1

by Global in exchange for 13,759,176 common shares of Global. After review of this proposal and the need, if it is to be approved, to amend the Articles of Incorporation to increase the authorized capital of Global and change its name, John D. Darger, President of U.B.S.I. gave a presentation in whcih he explained the features of the Unique Battery and the status and future business plans of U.B.S.I.

The foregoing background on the proposals set before the stockholders having been presented, and appropriate discussion thereof having been completed, the following resolutions contained in the notice of the meeting were presented, duly seconded, and votes of the shares present in person and by proxy were recorded as follows:

> RESOLVED, that the President and Secretary of the corporation be, and they are hereby authorized and directed to file Articles of Amendment to the Articles of Incorporation (1) increasing the authorized capital of the company from $300,000 divided into 6,000,000 common shares of $.05 par value, to $1,000,000 divided into 20,000,000 common shares of a par value of $.05; and (2) to change the name of the corporation to Unique Industries, Inc..

FOR: 51,175 AGAINST: 2,500 ABSTAINING: 1,600,300

> RESOLVED, that the plan and agreement of reorganization pursuant to which Global shall acquire 100% of the outstanding shares of Unique Battery Systems, Inc. in exchange for 13,759,176 common shares of Global be, and it is hereby ratified and approved; and the officers of the company are instructed to take all measures reasonably necessary

9704383040 2

to comply with the terms of that agreement, including issuance of the shares required thereby.

FOR: 51,175 AGAINST: 2,500 ABSTAINING: 1,600,300

RESOLVED, that the following persons be, and they are hereby elected as the directors of the corporation, to serve for the next year or until their successors shall be elected and qualify, whichever shall last occur:

John D. Darger
Ronald D. Sorth
Carl Snow

FOR: 51,175 AGAINST: 2,500 ABSTAINING: 1,600,300

The Chairman then asked those present whether there were further questions, comments, business, or proposed resolutions from the floor. Hearing none, the Chairman declared the meeting closed and upon motion duly made, seconded, and passed, the meeting was adjourned.

Dated: February 25, 1985

FRANK WHITNEY
Chairman

JOHN D. DARGER
Secretary

9704383040 3

MINUTES OF A

SPECIAL MEETING OF THE BOARD OF DIRECTORS

UNIQUE INDUSTRIES, INC.

a Utah corporation

A special meeting of the Board of Directors of Unique Industries, Inc. was held on the 28 day of March, 1985, at Salt Lake City, Utah. Present at the meeting were the following persons, constituting a quorum of the Board who, by the waiver of notice attached to these minutes as a part hereof, have waived formal call and notice of the meeting:

John D. Darger
Ronald D. Sorth
Carl Snow

Mr. Darger acted as chairman of the meeting, and Mr. Sorth acted as secretary.

Thereupon a discussion of the details of this proposition was held, including analysis of relevant details. Upon conclusion of this discussion, the following resolutions were duly made, seconded, and unanimously passed by the Board:

RESOLVED, that the President and Secretary shall take such actions as they may deem appropriate to complete the acquisition contemplated by the plan and agreement of reorganization between this corporation and Unique Battery Systems, Inc., including the issuance of all shares required thereby and the printing of new stock certificates reflecting the recent amendment to the Articles of Incorporation.

RESOLVED, that the following persons be, and they are hereby elected to serve in the corporate offices set forth below until their successors have been duly elected:

9704383004

John D. Darger, President
Carl Snow, Vice President
Ronald D. Sorth, Secretary-Treasurer.

RESOLVED, that the President of the corporation assemble the business, financial and corporate records of the company, provide binders for their continued maintenance, forthwith present the same to an auditing firm of his choice and arrange for the preparation of audited consolidated financial statements for the corporation, and report as to these activities at the next meeting of this Board.

There being no further business to come before the meeting, it was, upon motion duly made, seconded, and passed, adjourned.

Secretary

9704383040 5

PARSONS BEHLE & LATIMER

Keith E. Taylor
James B. Lee
Gordon L. Roberts
F. Robert Reeder
J. Gordon Hansen
Lawrence E. Stevens
Daniel M. Allred
Roy G. Haslam
Dallin W. Jensen
W. Jeffery Fillmore
Kent W. Winterholler
Barbara K. Polich
Randy L. Dryer
Charles H. Thronson
David R. Bird
Raymond J. Etcheverry
Francis M. Wikstrom
David W. Tundermann
Chris Wangsgard
Neil Orloff
James M. Elegante
Val R. Antczak
Spencer E. Austin
Lee Kapaloski

Stephen J. Hull
John B. Wilson
Robert C. Hyde
Craig B. Terry
David A. Anderson
Gary E. Doctorman
Kent B. Alderman
Kent C. Dugmore
Kent O. Roche
Patricia J. Winmill
Randy M. Grimshaw
Lawrence R. Barusch
Maxwell A. Miller
William D. Holyoak
Paul D. Veasy
Robert C. Delahunty
Stuart A. Fredman
R. Craig Johnson†
Daniel W. Hindert
Lois A. Baar
Carolyn Montgomery
Michael L. Larsen
Jonathan K. Butler
David G. Mangum

†Admitted only in Colorado, Connecticut and Pennsylvania

A Professional Law Corporation

ONE UTAH CENTER
201 South Main Street, Suite 1800 • Post Office Box 45898
Salt Lake City, Utah 84145-0898
Telephone 801-532-1234 • Facsimile 801-536-6111

Derek Langton
Lucy B. Jenkins
Lorna Rogers Burgess
David L. Deisley
Richard M. Marsh
Hal J. Pos
W. Mark Gavre
Scott R. Carpenter
Mark S. Webber
J. Michael Bailey
E. Russell Vetter
J. Thomas Beckett
M. Lindsay Ford
Jim Butler
Douglas R. Davis
Elizabeth S. Conley
Shawn C. Ferrin
Elizabeth S. Whitney
Jo Ann Lippe*
Craig D. Galli
Elisabeth R. Blattner
James H. Woodall
James E. Karkut

Of Counsel
Mark A. Glick

William J. Evans
C. Kevin Speirs
Michael J. Malmquist
David W. Zimmerman
Alan K. Flake
K.C. Jensen
Lisa A. Kirschner
Michael A. Zody
Elizabeth Kitchens Jones
David M. Bennion
Marji Hanson
Matthew J. Harmer
Steve K. Gordon
John E. Diaz
Jeannette F. Swent
William R. Gray
William J. Stilling
Clare Russell Davis
Barry N. Johnson
Michael J. Tomko
James T. Blanch
Kyle C. Jones
Anne Whitehead Morgan
Jeremy E. Wenokur

*Admitted only in New York and New Jersey

May 31, 1995

VIA FEDERAL EXPRESS

Lawrence Calvert
Federal Election Commission
999 "E" St., N.W.
Washington, D.C. 20463

MUR 3192

Dear Mr. Calvert:

Pursuant to our discussion today, enclosed are documents numbered 000041 through 000239 we are producing pursuant to your subpoena. As we also discussed, please expect a few more documents by Federal Express tomorrow. If you have any questions, please contact me.

Very truly yours,

J. Michael Bailey

JMB/mg
Enclosure
cc: Ken Murdock
Scott Norton

171492

Y / U 4 0 0 3 U 4 U 0

Opening Statement to the Press
by Scott Norton

Good morning, ladies and gentlemen. Thank you for coming.
First, I would like to lay down a few ground rules. This is a press conference. We have members of the public here and we welcome them, but we will not take any questions from them. After the press conference, all of our participants will be happy to talk with any interested parties.

My name is Scott Norton. Before we begin the press conference, I need to make a few things very clear. I do not represent Bill Orton. I am not associated with the Bill Orton campaign. I am a private citizen. Contrary to what Karl Snow would prefer, this is still a free country. It is my Constitutional guarantee to speak out if I feel the need. It is also my Constitutional right to spend any amount of money I want as long as it is connected with no campaign. Contrary to Karl Snow's charges, I am in violation of no federal elections laws. Nor am I a close personal friend of Bill Orton's.

It was an article in the *Student Review* that finally moved me to action. I contacted the writer, Eric Schulzke, and here we are. That was nine days ago.

The pressing question we have is this: **Why is it that Karl Snow is allowed to slander the integrity of every individual who ever confronts him, yet no one is allowed to question the integrity of Karl Snow?** That is what Utahns for Ethical Government is all about. That is why we are here today.

There are three names that keep coming up when you talk about Karl Snow: Mike Strand, Unique Battery, and Global Oil.

Mike Strand is a twice-convicted penny stock felon. Karl said he never had any financial dealings with him other than buying stock. The men here today say he was deeply involved.

Karl says he never let his name be used to sell Global Oil stock. These investors say he did.

Unique Battery attempted to merge with Mike Strand's Global Oil. Karl says he never owned any Unique Battery stock. But he signed a document claiming he did.

9704383041

These are the people who were involved -- who saw first-hand the relationship between Karl Snow, Mike Strand, Unique Battery, and Global Oil. Each will make a brief statement; when all have finished, they will entertain questions from the press. We will distribute to you packets with copies of their sworn statements as well as documents and other information that will help you in writing your stories.

I will begin by reading a sworn and notarized statement by Maurice Turley, international trade expert and secretary/treasurer of Patio Products, Inc., of El Paso, Texas

I will be followed in this order:

John Darger, former president, Unique Battery

Herb Gleason, Florida businessman

Percy Kalt, former professor of music at Brigham Young University

9704383040 8

Statement to [redacted] Press
by Herb Gleason

Karl Snow denies extensive involvement with Mike Strand, and denies involvement with the Unique Battery/Global Oil penny stock scheme. He is lying. I was there.

I was approached by John Darger in January 1985 with an invitation to invest in Unique Battery, a company that was attempting to merge with Mike Strand's Global Oil. With money to spend on behalf of investors, I began an investigation of the company.

I had my doubts about Strand, a convicted felon. But others who were involved seemed credible. One of the most impressive was Karl Snow, a Utah State Senator and professor at BYU. **Snow's credibility was a major factor in my decision to invest.**

I'm puzzled by Snow's claims that he was not involved with Mike Strand. I sat in many meetings with the two of them. Snow admitted openly that he had an official position in Strand's company -- a position that was represented as ownership. Snow had a major stockholder position with Strand's company. Snow told John Darger -- who then told me -- that he recommended buying stock, because we all would make lots of money. **If that's not involvement, I'd like to know what is.**

9704180504 u 3

Herbert C. Gleason

10/24-/90

NOTARY PUBLIC
GARY
R. TAYLOR
542 W. 1720 N.
Provo, UT 84601
Comm. Exp.
6-10-92
STATE OF UTAH

WITNESS MY
HAND & SEAL
THIS 24 OCTOBER, 1990

000043

Statement to the Press by John Darger

Karl Snow denies extensive involvement with Mike Strand, and denies involvement with the Unique Battery/Global Oil penny stock scheme. He is lying. I was there.

In a desperate attempt at what was, in Karl Snow's own words, **"below-the-belt political skullduggery,"** he felt the need to mention that I am a polygamist. I might remind you that I'm not the one on trial here. **Karl Snow is.**

I should know the principals involved in the Unique Battery/Global Oil merger: I was an owner of Unique Battery, and I was there. **So was Karl Snow.**

Prior to the merger, Mike Strand arranged for Karl Snow to be an officer of the company because of what Mike Strand called Karl's "political influence." Karl was there for credibility.

Yesterday Karl Snow said he had only met me on two occasions. I'm not sure why he feels pressed to lie about such a detail. I was in Mike Strand's office **many** times with Karl Snow. I personally witnessed **numerous** dealings between Snow and Strand. I saw Karl Snow come to Strand's office on **many** occasions for private meetings between the two of them. I often sat in Mike's office and watched Karl working in an adjacent office, which had been set up for him as a principal. My wife and I even sat at Karl Snow's table at the Governor's Ball.

Karl claimed yesterday that he did not offer Mike Strand any help with his legal problems. I watched Karl Snow spend time in Mike's office as they planned strategies and went over papers to present to U.S. Attorney Brent Ward.

Karl insinuated yesterday that he was only briefly involved with Strand out of ecclesiastical concern. I know differently. I personally saw Snow and Strand meet many times. They went out together often.

Strand sent flowers to Snow's wife on her birthday. It was obvious they were not new acquaintances.

Throughout my dealings with Global Oil, Karl was a constant. **For him to claim otherwise raises serious questions about his memory, his integrity, or both -- and serious questions about whether he should be elected to the United States Congress.**

J. Darger

9704383041O

Statement to the Press
by Dr. Percy Kalt

Karl Snow denies extensive involvement with Mike Strand, and denies involvement with the Unique Battery/Global Oil penny stock scheme. He is lying. I was there.

When I was invited to invest in Global Oil/Unique Battery, I was reluctant. But Mike Strand referred me to Karl Snow. "Snow will clear my name with you," he said. "He helped get me released from prison."

Yesterday Karl claimed otherwise -- but he himself told me he had helped get Strand released from prison -- because the prison term was, in his words, "a travesty committed by the IRS on Mike Strand."

Snow also told me he was an officer of Global Oil/Unique Battery, and that he himself owned 100,000 shares of stock in the company. He gave the company and Strand his highest recommendation. **Based on Snow's recommendation, I invested $25,000.**

Within 30 to 60 days, it became obvious that the stock offering was a swindle. Unique Battery called a meeting of stockholders that I attended. Company officers listed on the blackboard the names of major stockholders; according to notes I took at the time, Karl Snow was listed as owning 100,000 shares.

Karl said yesterday that he understands the principle of caring. But when it became obvious that I had been defrauded, I called Karl and asked him why he had recommended the stock to me. "I had nothing to do with this," he replied. "Please leave me out of this."

Karl referred to me yesterday as a "fire-bomber." I was so distraught after losing the money Karl influenced me to invest that I behaved irrationally. The stock scheme that Karl involved me in destroyed my life. It cost me tens of thousands of dollars. It cost me my career. **But I have paid my debt to society. When will Karl pay his?**

Karl proclaimed yesterday that "this is a district based on people helping each other when they're down." Yet after involving me in a scheme that cost me my financial security and my career, he refused to testify on my behalf in court. Karl thinks he can just walk away. It's not that easy. Karl Snow **was** involved, and with his influence involved me. I cannot turn my back on that -- **and I don't think Karl Snow should, either.**

Percy D. Kalt

10-23-90

9704383041 1

000045

My name is Maurice Turley; a business partner of Herb Gleason, I was living in Corpus Christie, Texas, when Herb alerted me to a "good deal" in Utah. He encouraged me to invest money in Mike Strand's Global Oil. When I questioned the company, he assured me he had checked it out and found it to be a viable investment opportunity. I invested an approximate total of $60,000 (which was part of the $118,000 invested by Herb Gleason).

A month after sending my initial investment, I visited Mike Strand's office to personally check out the company. During the time I was at the office, Mike brought up Karl Snow's name several times. When I asked who Karl Snow was, Mike told me that his associate Karl Snow was a Utah State Senator and a BYU professor, which gave the company credibility in my eyes. Karl Snow was promoted by Mike Strand as an influential and powerful individual who was involved with the company.

In the end, I lost my total investment, which included two properties I had used to guarantee the money.

I. Maurice Turley

STATE OF UTAH
My Commission Expires Jan. 12, 1994
[illegible]
Weber County
MICHAEL S. BROWN
NOTARY PUBLIC

RESIDES IN MIDVALE, UT.

9704792042

While under oath in a federal trial in Colorado, testifying in defense of Mike Strand, Snow was asked if he ever had any business dealings with Strand. His answer:

" Uh, no." (refer to page 1-154)

9704383041 3

ORIGINAL

UNITED STATES DISTRICT COURT
DISTRICT OF UTAH
CENTRAL DIVISION

FILED IN UNITED STATES DISTRICT COURT, DISTRICT OF UTAH

NOV 19 1987

MARK O. ZIMMER, CLERK

BY _____ DEPUTY CLERK

MICHAEL WILLIAM STRAND,

Plaintiff,

vs.

UNITED STATES OF AMERICA,

Defendant.

Case No. [illegible]

SALT LAKE CITY, UTAH
July 14, 1987
9:30 a.m.

VOLUME I, PART II
TRANSCRIPT OF TRIAL
BEFORE THE HONORABLE J. THOMAS GREENE
UNITED STATES DISTRICT JUDGE

APPEARANCES:

For the Plaintiff:
JOHN T. CAINE, ESQ.
Richards, Caine & Richards
2568 Washington Blvd., Suite 200
Odgen, Utah 84401

D. FRANK WILKINS, ESQ.
Moss & Wilkins
250 E. 3rd S. Suite 100
Salt Lake City, Utah 84111

For the Defendants:
STEWART WALZ, ESQ.
Assist. U. S. Attorney
350 S. Main Street
Salt Lake City, Utah 84111

Court Reporter:
REEVE M. BUTLER, RPR
Official Court Reporter
Rm. 224 Federal Bldg.
350 S. Main Street
Salt Lake City, Utah 84101

Proceedings recorded by mechanical stenography, transcript produced by dictation.

9704383041 4
PENGAD/WEST, FRESNO.

Q And are you acquainted with the petitioner in this case, Michael Strand?
A I am.
Q And how are you acquainted with him and when did you begin to be connected with him?
A My recollection is it's been about four years. I came to know him through a mutual friend who asked me to take a look at some papers that he was troubled over and he was interested in and that's how we became acquainted.
Q All right. That would have to go back to about 1983, is that correct?
A That's correct.
Q And --
A Maybe '82; at the end of '82.
Q You were not present or involved in any way when Mr. Strand was tried in United States District Court in October of 1978 on --
A No, sir, nor did I know him.
Q Were you in 1983 also acquainted with Brent Ward, the United States Attorney for the District of Utah?
A Did I see him?
Q Were you acquainted with him first of all?
A Yes, I was.
Q And how were you acquainted with him?
A Well, I know him only casually but I was acquainted with him

9704383041 5
PENGAD/WEST, PHLSHI

A. I am satisfied that these documents as well as any others now contained in the IRS files were in the files before the trial and were accessible to Strand's counsel --

Q. Okay. Stop right there. Thank you. Did you have any further communication with Mr. Ward after the receipt of the letter in April in which he basically says he considers the case closed?

A. I'm not -- I do not recall any written communications with Mr. Ward following that occasion.

Q. All right.

A. Or that letter.

MR. CAINE: Thank you. That's all I have.

THE COURT: All right. Do you have any questions?

MR. WALZ: May I have Exhibit 10, please. Let me have just a moment, Your Honor.

THE COURT: Yes.

CROSS EXAMINATION

BY MR. WALZ:

Q. So the record is clear, Mr. Snow, you are not a lawyer, is that correct?

A. That is correct.

Q. And have you looked at all the exhibits that were introduced at the trial of this case?

A. When you say all, I have a difficult time answering yes, but all that I could get my hands on, yes.

PENGAD/WEST, FRESNO, C. 9704383041 6

Q Have you gone down to the clerk's office and seen what exhibits were actually introduced into evidence?

A I have been to the clerk's office. I'm not sure that I've seen everything that was introduced into evidence. I couldn't answer affirmative on that.

Q Now the basis of your assertion is that Mr. Strand or his representatives have told you that he didn't get certain documents, is that correct?

A No, not entirely. I was told by the mutual friend that we've indicated that he thought there was a gross miscarriage of justice and asked if I would take a look at various documents with him which I did.

Q And you represented to Mr. Ward that these documents were not turned over to Strand's counsel at the time of the trial?

A I did not represent that. I raised questions in the brief as I read the transcripts from the trial and then read these various documents that there seemed to be great inconsistencies.

Q My question is - let me ask it this way. You contend in letters that documents were not turned over to Strand's counsel?

A That would appear to be the case from documents that I read and from transcripts of the trial, yes.

Q And have you reviewed the evidence that was turned over to Mr. Strand and his counsel?

A I reviewed all the material that is now in the so-called green file plus the transcripts of the trials and hearings, yes.

9704383041 7
PENGAD/WEST, INC.

Q What is your basis for the assertion that some of the materials in the green file was not turned over to Strand's counsel?

A Well, I have no knowledge as to whether it was turned over to his counsel per se.

Q Thank you. By the way, have you ever had any business dealings with Mr. Strand?

A Uh, no.

Q Ever possessed or owned any stock that Mr. Strand had sold or promoted?

A Yes. I have purchased, never sold.

Q And the purchase of that stock was when?

A I believe in 1985.

Q What was the name of that stock?

A Classic Oil. I do have some stock.

Q And that was stock that Mr. Strand had promoted?

A I believe he is involved with it, yes.

MR. WALZ: No further questions.

MR. CAINE: I have nothing further.

May this witness be excused?

THE COURT: All right. Mr. Snow, thank you. You may be excused.

MR. WALZ: Your Honor, perhaps we could save some time. It was my understanding that the Court ruled that the testimony of Mr. Floor would be hearsay also to what Mr. Jensen

PENGAD/WEST, FREE 9704383041 8

weight. A number of Strand's original offerings were either withdrawn or were not admitted into evidence.[4] Further, a great number of items provided in the green folder are not themselves alleged to be Brady material, new evidence, or otherwise exculpatory.[5] They are, rather, documents provided to show the

---

24A - Summary of Criminal Files, U.S. Attorney Max Wheeler, by Rand M. Elison, dated 05/01/78 ("Martin File Summary");

24B - Appendix - Schedule of C. Martin stock sales ("Schedule of Martin Stock Sales");

24C - Court docket sheet, NCR78-16;

25A - Memorandum to the District Director of Internal Revenue (recommending prosecution of Michael Strand) ("Prosecution Memo");

25B - Affidavit of Gary Ramsey, dated 03/14/83, and Memorandum of Interview of Gary Ramsey, dated 08/25/77, taken by Patti Danks;

25C - Testimony Chart of D. Yeaman;

26 - Transcript of hearing, held 09/22/78 in United States v. Strand, CR78-91;

AA - Motion for Reduction of Sentence, in United States v. Bruce A. Jensen, CR76-114;

Exhibit 2 - Affidavit of Kenneth Dean Pace, dated 04/76 ("Pace Affidavit");

Exhibit 3 - Associated Underwriter's Account Card - Carl Martin ("Martin Account Card") and, handwritten notes;

Exhibit 4 - Letter from Brent D. Ward to Karl N. Snow, dated 02/20/85;

Exhibit 6 - Letter from Brent D. Ward to Karl N. Snow, dated 04/15/85;

Exhibit 7 - Letter from Karl N. Snow to Brent D. Ward, dated 03/27/85;

Exhibit 8 - Same as Exhibit 4;

Exhibit 10 - Letter from Karl N. Snow to Brent D. Ward, dated 12/19/84;

9704383041 9

importance of the exculpatory documents. In his petition Strand explains that the exculpatory documents were "assembled in the 'green folder' in an attempt to make their indivídual significance easily apparent in the context of the other trial evidence." Petition for Writ of Error Coram Nobis, at 10 (emphasis added). Among these "supporting documents" are excerpts of testimony witnesses gave at trial and other hearings, memorandums, previous decisions of this court, and other documents which appear in the various files. These documents were admitted into evidence without objection, and they are, for the most part, the kinds of things of which the court could simply take judicial notice. Since there is no allegation that

---

Exhibit 12 - Letter from Brent D. Ward to Karl N. Snow, dated 11/21/84;

Exhibit 13 - Letter from Karl N. Snow to Brent D. Ward, dated 09/17/84;

Exhibit 14 - Note "Keep from Strand";

Exhibit 15 - Affidavit of David Floor, dated 12/18/84;

Exhibit 16 - Associated Underwriter's confirmation slip, dated 07/31/75.

[4] A total of twenty items were either withdrawn or were not received because they lacked of relevance, foundation or simply were not evidence. In the green folder this included the following numbered items: 7, 9E, 10, 12, 14, 15A, 15B, 17, 18, 19, 20, 25B and 25C. Plaintiff's exhibits 5, 8, 9, 11, 13, 14 and 16 were also withdrawn or excluded.

[5] The court has found a total of nineteen items to be "supporting documents." They include only the following numbered items from the green folder: 3A, 3B, 4B, 4C, 6, 8, 9C, 9D, 11, 13, 16A, 16B, 16C, 16D, 16E, 22A, 22B, 26 and AA.

000054

9704383042O

This letter was prepared by Percy Kalt in 1987 during Mi[redacted] Strand's second securities fraud trial. Kalt was asked to relate his experiences with Strand. Here, he refers to Karl Snow's role only in passing because he was focusing on Strand. The details of Kalt's story, however, remain unchanged and consistent.

9704383042 1

Dr. Percy G. Kalt
4089 Devonshire Circle
Provo, Utah 84604

Aug. 6, 1987

U. S. Probations Office
P.O. 847
Cheyenne, Wyoming 82004

ATTN: DAN FISHER

Dear Mr. Fisher:

The following are the facts you requested in our local fraud case involving Mr. Mike Strand:

Enclosed please find a copy of my check for $25,000.00 dated April 26, 1985. About one month prior to this date, Mr. Herbert Gleason brought Mr. John Darger of Midvale, Utah to my home, uninvited. They laid out a rather convoluted plan in which Global Oil stock (defunct) would be used to provide a "corporate shell" for Unique Battery Company. Mr. John Darger represented himself as president of this company. He showed me some battery tests and orders from several local and national firms. The stock was to show immediate gain.

Darger then took me to the Boston Building in Salt Lake City to visit Mike Strand, who told me that if I paid $25,000.00 for 7,000 shares, I could sell them in less than 30 days for at least 3 times their present value. I told him I had no money. Both Strand and Darger said it would be well worth borrowing the money from a bank, which I did.

Had I sold the stock immediately, I could have profited by $10,000.00, since Olson and Co. in Salt Lake City (David Floor, manager) assured me the stock was worth $5.00 per share. But Darger promised me another 25,000 shares in lettered stock to be given me in 60 days if I would not sell now. The lettered stock would become negotiable in one year. I did not receive the lettered stock until four months later after much badgering. Meanwhile, the stock had a steady decline from $5.00 to $.25. I had smelled a rat earlier when I saw that my check was endorsed by Mike Strand and Lyman Smart instead of someone from the battery company in which I supposedly invested.

Suddenly there existed a separation between Global Oil and Unique Battery (especially between Strand and Darger). The IRS closed the doors of the battery company, and Mike Strand held a meeting in which he obtained most of the existing stock of Global Oil.

He also offered to sell stock for what seemed a high price. At this time I heard of other Strand activities, such as the demise of Citizens Bank of Ogden. Other people associated with Strand are; Jim Barber, Robert Routh, Newman Petty, Karl Snow, Lyman Smart, David Floor, Paul Pulman, Atlas Transfer Co., Frank Whitney, and others.

I continued to visit Strand many times, asking for my money back. He always refused. One day he said I was in luck and offered to trade 17,500 shares of Global Oil stock (including 10,500 shares belonging to Gleason) for 5,000 shares of Atlantic Mining stock (3433 Broadway Street, N.E. #445, Minneapolis, MN 55413 (616) 331-7777). He gave me beautiful brochures, showed a video tape and said the stock would shortly go from $1.00 to "the moon". He showed me a bottle of gold dust supposedly from that mine. A few weeks later, the Global Oil stock rose to $3.50 and the Atlantic Mining stock had sunk to $.25. I had been swindled twice!

Mike Strand had bragged to me that he owned six Jaguars and referred to my bank debt as a "piddling $25,000.00".

I hope this information will help you for your purposes.

Sincerely,

Percy G. Kalt

Percy G. Kalt
Professor of Music

9704383042 3

Is Karl Snow Telling You the Truth?

You Decide

We are concerned.

Integrity has become the key issue in this congressional campaign. Has Karl Snow been honest with the voters?

Mike Strand, Unique Battery, and Global Oil are names that keep coming up.

Mike Strand is a twice convicted penny stock felon. Karl says he hardly knew him. Others say they were deeply involved.

Karl says he never let his name be used to sell Global Oil Stock. Investors say he did.

Unique Battery attempted to merge with Mike Strand's Global Oil. Karl says he never owned any Unique

How involved was Karl Snow in a Mike Strand penny stock scheme that cost investors well over a million dollars?

"I haven't seen Mike Strand for four years and have had nothing to do with his companies." —Karl Snow (*Deseret News*, 8/20/90)

But investors and others who were there insist he was intimately involved:

"Oh yes, it was clear Karl Snow was deeply involved from the beginning. . . . Snow was high and mighty. We felt we were not as important." —Herb Gleason, who lost $118,000 in the deal.

"He (Snow) mentioned that he had around 100,000 shares. I remember feeling that this was certainly a lot of stock, compared to my 7,000 shares, and that's why I remember the numbers distinctly." —Percy Kalt of Provo, who lost over $25,000.

"What Strand would say, Karl would do." —John Darger, former president of Unique Battery.

Did Karl Snow allow his name to be used to entice investors into a Mike Strand penny stock scheme?

"Laughable, completely without basis." —Karl Snow (*Deseret News*, 8/20/90)

Again, the investors say Snow is not telling the truth:

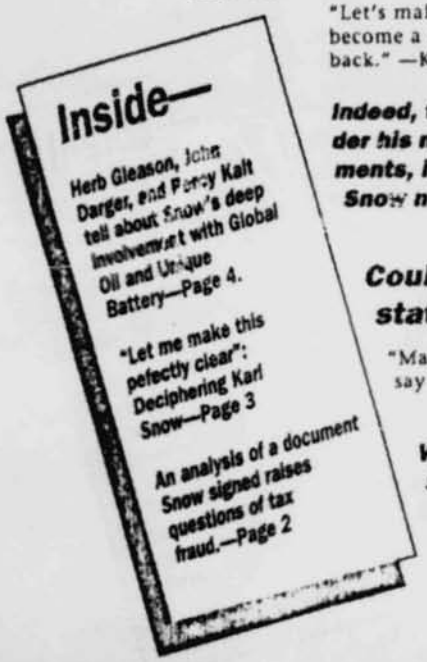
"Without their (Karl Snow's and [illegible]'s) involvement, we never would have gotten in-

9704383042 4

We are Utahns for Ethical Government. We believe that anyone who seeks public office must first have integrity.

If you agree, read on.

Scott Norton
Chairman
UEG, P.O. Box 66,
Provo, UT 84603



Snow, Lyman Smart, and others. . . . When I asked Snow about the company, he told me it was a major stock holder and a member of the board, and he said it was a good investment." —Percy Kalt

Did Karl Snow know he received stock in Unique Battery and/or Global Oil and fail to report it on his income tax return?

"I don't remember signing over any stock. It puzzles me. . . . I don't remember giving anyone power of attorney over that stock." —Karl Snow (*Deseret News*, 8/20/90)

"I did give Mike a stock power, that is a common procedure in these matters." —Karl Snow (*Deseret News*, 10/6/90)

"I've never heard of this 100,000 shares at all." —Karl Snow (*Deseret News*, 8/20/90)

"Let's make it perfectly clear that Mr. Snow was offered 100,000 shares of stock if he would become a member of the Board of Directors. . . . A stock power was issued immediately giving it back." —Karl Snow (KUTV's "Take Two", 10/14/90) *(Snow speaks of himself in the third person.)*

Indeed, the stock was issued to Snow. But he never gave it back. It remained under his name for almost three years, and was then transferred to M&L Investments, i.e. Michael Strand. Strand was not an officer or an agent of Global Oil. Snow never returned the stock to Global Oil. (See page 3.)

Could Karl Snow face legal consequences resulting from his statements about his involvement with Strand?

"Many people would idenfity what Karl did as having business transactions, others would say that he had business dealings." *(From the "Bramble Report" paid for by Snow.)*

While under oath in a federal trial in Colorado, testifying in defense of Mike Strand, Snow was asked if he ever had any business dealings with Strand. His answer:

"Uh, no."

000060

9704383042S

Karl Snow's Signature Raises Qu

by Eric Schulzke

On February 5, 1985, Karl Snow signed a "Plan and Agreement of Reorganization" to merge Unique Battery (U.B.S.I.) into Global Oil. The document was signed and executed by the officers of both companies. It is not a proposal. It is a binding legal document. Snow has admitted to signing it. It is, said one attorney who studied it, the *one* document he should have denied.

Snow signed the agreement as a "Seller." In the opening paragraph, the agreement defines "Sellers" as the "twenty-three natural persons who are the individual owners of all the issued and outstanding shares of U.B.S.I." By signing the document, Snow declared he was one of these shareholders. Now he says he never held any Unique Battery stock. To understand the problems this raises, some generalized legal knowledge is needed.

"I never owned any Unique Battery stock, however." —Karl Snow

A Basic Course in Tax Law

1) Whenever anything of value is received or transferred, tax consequences may result. Anytime you receive stock for services you have or will perform in the future, it must be reported as taxable income—just like cash. If you receive stock in a company, and you did not pay for it in cash or other property, you must report the value of that stock as income on your tax return.

2) To knowingly fail to report taxable income, or to execute false documents to evade payment of tax liability, is tax fraud. Tax fraud is a federal felony, punishable by prison and a fine.

3) The completion of a felony is sometimes difficult to prove. Therefore, conspiracy to commit a felony is also a felony. In this case, conspiracy to commit tax fraud would entail conspiring to receive stock in a tax-free transaction which knowingly would not qualify for tax-free treatment. Conspiracy does not require completion of the felony, but merely planning to do so.

4) There is a method by which stock may be received in a tax-free transaction. This is called a "Type C Reorganization." If you own stock in a company ("target company") that is being merged into another company ("take-over company"), then you may receive a proportional amount o stock in the new company without tax liability on the disposition of your old st[illegible] th[illegible] their investment.

5) To qualify to receive the new stock tax-free, you must already own Snow's tax returns. If Snow did own the stock, and did not pay for it, why isn't the value of the stock reported in income? If Snow did not own the stock, why did he sign a false document stating that he owned it? Apparently, the only answer which would avoid tax fraud for failure to report the value of the Unique Battery stock is that he "never held any Unique Battery stock."

The following is quoted directly from the *Deseret News*:

"Unique Battery documents show that Snow signed a reorganization plan, saying he held shares of Unique Battery stock that would be transferred to Global Oil for Global stock. Snow admits he signed the document. 'It is a perfectly legal way to transfer stock without incurring a tax liability. I never held any Unique Battery stock, however.'"

The document Snow signed is not a proposal. It is not preliminary. It is legally binding. In it, Snow claimed he was one of 23 shareholders in Unique. Now he says he knew that he never had any Unique stock, but that he knew the purpose of the merger was to avoid "tax liability."

The reader must decide: If a man signs a document attesting that he owns stock in a company when he did in fact not own that stock, and if he knows the purpose of the document is to receive additional stock without tax liability, is that not at least "conspiracy to commit tax fraud."

Tracking the Stock

Assume for the sake of argument that Snow did not hold Unique Battery stock even though he signed the document stating he did. Is there possible tax fraud in receipt of the Global Oil stock?

To carry the logic beyond conspiracy, we must ask if the stock was ever issued. Apparently it was. Atlas Stock Transfer reports show Karl Snow with 100,000 shares of Global stock. Snow now claims he returned the stock. The stock was issued on June 28, 1985. In 1988—three years later—the stock was transferred from Snow to M&L Investments. M&L stands for Michael and Lois Strand. Mike Strand was never an officer or an agent of Global Oil. Snow never returned the stock.

Snow admits to signing the stock transfer sheets which transferred the [illegible] On October 9, The Daily Herald reported that to facilitate [illegible], Strand "asked Snow to endorse the back of some certificates and execute several blank stock powers for other certificates. [illegible] stock certificates or stock powers."

How can someone transfe[illegible] a stock transfer power if th[illegible] a prudent man sign a stoc[illegible] twice convicted of stock fra[illegible] and why he was signing it?

Apparently the stock w[illegible] agreement he signed on Fe[illegible] up, but that was not before [illegible] that he never owned any Un[illegible] tax-free treatment on the re[illegible] Oil stock was issued, Snow[illegible] on his tax return.

Within sixty days of the [illegible] Global Oil stock. The value[illegible] $500,000. Snow's CPA stat[illegible] on his tax return. Even if Sn[illegible] as claimed by Snow's CPA, [illegible] his own tax return all stoc[illegible] But there is no indication o[illegible] a nominee, and according t[illegible] tax returns.

In summary, the fact inc[illegible]

1) Snow signed a docume[illegible] in order to aquire tax-free [illegible]

2) Snow never paid anyth[illegible] Unique Battery stock, and [illegible] port its value on his tax r[illegible]

3) Snow did not, accor[illegible] own statement, at any tim[illegible] in Unique Battery.

4) According to Snow's [illegible] ment, a primary purpose o[illegible] ment Snow signed was to [illegible] liability."

5) 100,000 shares of [illegible] stock were in fact issue[illegible] pursuant to the agreemen[illegible]

6) Snow's signature a[illegible] 100,000 shares to a trust [illegible] stock to Global Oil.

7) Snow never reported [illegible]

8) Snow never reported [illegible]

and you receive stock in the "take-over" company, and you did not pay for the new stock, then you must report the value of that stock as taxable income on your tax return.

Ownership in Unique Battery

Does ownership of stock in Unique Battery implicate Karl Snow in tax fraud? The document Snow signed states the he owned stock in Unique Battery. When did he purchase it? How much did he pay for it? According to his accountant, the value of the Unique Battery stock was not included in

Snow admits this: "I did give [illegible] procedure in these matters." (Deseret News, 10/6/90)

In the same article, Snow says he was unaware that the stock was held in his name: "It appears *that* I was used in this, *that* someone was trading on my name. I didn't know about it then. I never would have allowed it."

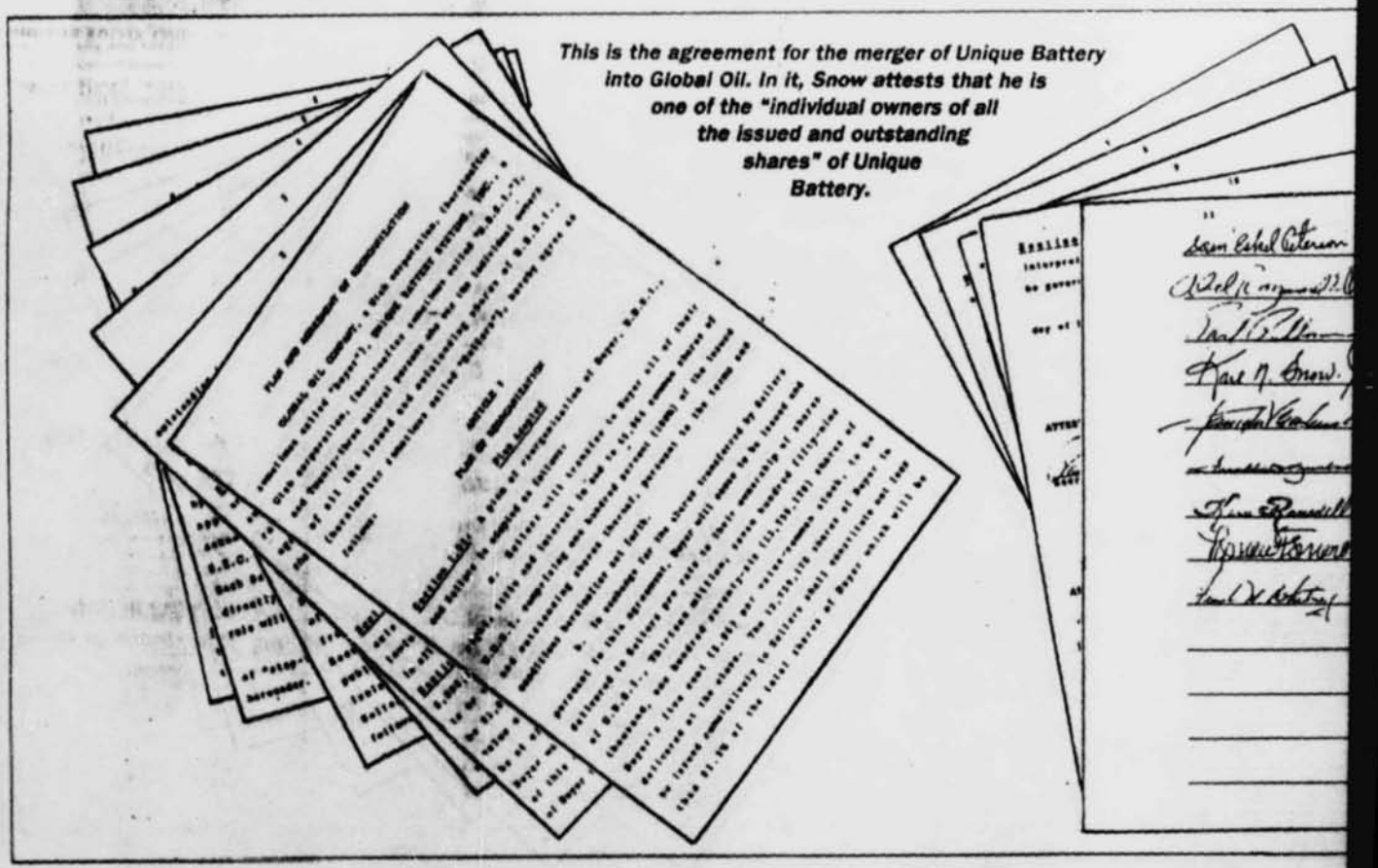
Snow signed the merger agreement by which he was to obtain Global stock. An independent transfer company says the stock was issued to him and lists Snow's current address. Three years later, that same stock is transferred over to Mike Strand with documents signed by Snow.

transactions.

Notes

1) Legally, you cannot [illegible] acknowledged signature [illegible] of the matters or events [illegible] you didn't read the docu[illegible]

2) The fact that only e[illegible]



This is the agreement for the merger of Unique Battery into Global Oil. In it, Snow attests that he is one of the "individual owners of all the issued and outstanding shares" of Unique Battery.

9704383042 7

stions of Tax Fraud

k without owning it? Would anyone sign
dn't have power over that stock? Would
nsfer certificate, giving power to a man
without being fully aware of what it was

sued to Snow in accordance with the
y 5, 1985. Snow claims the merger broke
tock was issued. If it is true, as he claims,
Battery stock, then he was not eligible for
f the stock in Global Oil. When the Global
required to report the value of the stock

ment, Percy Kalt paid $5.00 per share for
now's stock would at that time have been
t the value of the stock was not reported
ere acting as a Nominee for Mike Strand,
is no defense. A nominee must report on
nsactions conducted for another person.
of the documents Snow signed that he was
accountant, he made no such report on his

the following:
iming to be a stockholder in Unique Battery
k in Global Oil.
for the
not re-
ns.
to his
n stock

state-
docu-
old tax

bal Oil
Snow

rs on stock in 1988 transferring that
d by Mike Strand. Snow did *not* return the

Global Oil stock in his income tax return.
ing the stock as a nominee.
ether all the questions have be
ld sleep at night if you had per

this document is irrelevant. The stockholders could sign separate duplicates of the document and the agreement would still be valid. They don't all have to sign the same copy. More importantly, Snow's signature legally binds him, attests to his understanding of the document, and stands as evidence of his intent.

3) Whether Snow had possession of the stock certificates is immaterial. All that matters is that he received something of value (stock) and knew he had a title to it. Snow's signature on the document acknowledges he had received title to stock in Unique Battery. Snow's signature on Global Oil stock transfer certificates by which the stock was transferred in 1988 demonstrates that he knew he held title to the Global stock.

4) The report of the CPA Snow hired to clear him is seriously flawed. To conclude, as they did, "We are convinced it [the stock] was transferred without his knowledge" requires an extraordinary leap of faith. It is an unsupportable conclusion.

5) Would Snow have returned the stock if the merger had been successful? If the stock had increased in value—beyond the $500,000 it was worth when issued to him—would Snow have given it away and claimed he never had it?

6) On KUTV's "Take Two" on October 14, Snow said, "Let's make it clear that Mr. Snow was offered 100,000 shares of stock if he would become a member of the board of directors. Before I could tell them that I would not become a member of the Board of Directors, a share of stock of 100,000 shares was issued to me. A stock power was issued, immediately giving it back." Snow signed the merger agreement on February 5. According to Percy Kalt, Snow represented himself as a company officer in April. Snow says he did not leave the Company until May or June. The stock was not issued until June 28—four months after the merger was signed and after Snow says he left the company. The stock was not transferred from Snow until 1988. Furthermore, he never returned the stock. Instead, he gave it to Michael Strand, who was not an officer or an agent of the company.

If Snow did not own the stock, why did he sign a document falsely stating that he owned it?

7) The legal implications of this merger agreement alone prove that

8) Final question. Readers, ask yourselves: Why would anyone sign

7 0 4 3 8 3 0 4 2 8

6

"Let's Make This Perfectly Clear..." —Karl Snow

"No, That was Hatch."—Did Karl Snow help Mike Strand try to overturn his stock fraud conviction? "No, that was Hatch," Snow said when first asked. (The Daily Herald, 10/14/90) There is no evidence that Hatch was involved, but the truth is that Snow had lengthy meetings with government officials, wrote several letters on his behalf, and actually flew to Washington to plead his case.

"Just a kid..."—What was Snow's relationship to Strand? "He was just a kid I helped once," Snow told The Daily Herald. (10/14/90) On June 5, 1985, Snow wrote to Peggy Fugal: "I am once again asking that you contact Michael Strand at 363-9972 in Salt Lake City who will be pleased to discuss this matter with you for and in behalf of the Snow for Governor Committee." Just a kid he helped once?

Never registered—Snow said he was never an officer, a director, or a shareholder. However, court documents and company minutes indicate he was all three. Snow says that he was never registered as a director or an officer with the state. But the corporation was suspended for failing to register its officers over a lengthy period—precisely the period during which Snow apparently was an officer. The fact that Snow is not registered in itself raises questions of illegality. In any case, he could still have functioned as an officer during that period.

Earl Snow, V.P.—Snow pointed out to us that
e of the documents spell his name
a "C" rather than a "K." In fact,
Secretary-Treasurer, Ronald Sorth,
did spell Snow's name with a "C" when

ou did not know what you were signing. An
e admitted in court as evidence to the truth
ned in the document. It is no defense to say
. It is no defense to say you were stupid.
s of the twenty-three shareholders signed

was not going to receive and then sign over shares [illegible] which was to
he never got to Mike Strand, a convicted stock felon who was to
authority in either company? Is that credible?

The original version of this article was printed in Student Review, October 17, 1990.

PLAN AND AGREEMENT OF REORGANIZATION

GLOBAL OIL COMPANY, a Utah corporation, (hereinafter sometimes called "buyer"), UNIQUE BATTERY SYSTEMS, INC., a Utah corporation, (hereinafter sometimes called "U.B.S.I."), and Twenty-three natural persons who are the individual owners of all the issued and outstanding shares of U.B.S.I., (hereinafter sometimes called "Sellers"), hereby agree as follows:

The opening paragraph of the document in which "sellers" are defined as shareholders in Unique Battery.

b. Sellers are persons of sufficient business experience to evaluate this transaction.

"Sellers" attested that they know what they were doing.

Karl N. Snow, Jr.

Karl Snow's acknowledged signature as a "seller" declaring that he held stock in Unique Battery.

his resignation written in November, 1985, Sorth notes that he sent a copy to "Carl Snow, V.P." Sorth was responsible for the company's minutes, and the misspelling would thus be consistent. However, Snow's name is spelled correctly in the stock reports and numerous other documents.

A Genuine Signature—Snow initially claimed that his signature has been forged on these documents. Of the two signed documents in this writer's possession, one is not in Snow's hand, while the other definitely is. Snow has since admitted to signing it.

Karl, Lois, and Mike—Snow points out that he was not named in a suit involving Global and Unique. But also missing from the list was Lois Strand, the largest shareholder in Global. Obviously, being excluded from that list says nothing about the extent of a person's involvement with Strand.

Forgeries?—When asked about the documents showing Snow's involvement, Strand claimed that Darger frequently forged names. But this answer is untenable given that one of the documents, showing Karl Snow's name sandwiched between the now deceased Lyman Smart and Lois Strand, was an interrogatory prepared by Strand and his secretary—not by John Darger.

"Call Mike Strand"—Snow has spoken in terms of physical presence: "I have not seen Strand for over four years." "I did not attend board meetings," etc. Darger confirms that Snow was sometimes not present. But Darger says Strand usually had Snow on the telephone during such occasions. On September 7, Snow asked The Daily Herald to talk to Mike Strand to confirm his story. How do we reach Strand, they asked. Snow promptly provided them Strand's telephone number. They dialed the number and reached a halfway house where Strand was serving time. Think about it.

000061

9704383042 9

Karl Snow & The Penny Stock Tag Team

by Eric Schulzke

BYU music professor Percy Kalt called Karl Snow in March, 1985 because Snow was a pillar of the community. If Snow said Mike Strand was OK, then Kalt would buy Strand's stock. Snow said to go ahead, and Kalt invested—eventually loosing everything. This surprised Kalt, but it didn't surprise those who really knew Strand. You see, at the time Snow encouraged Kalt to invest, Strand, had only recently been released from prison and was still on probation for a felony. You guessed it— stock fraud.

It's situations like this that earn Utah the title of "America's Fraud Capitol." Operators use Bishops, Stake Presidents and other community leaders to lend credibility to reckless speculation and stock manipulation. And the trusting Mormon with an ingrained "Mormon Authority Reflex" is a sitting duck.

Mike Strand is a master of such deals. One law enforcement source calls Strand "the most despicable man I have ever met. You've heard that there is honor among thieves, but that does not apply to Mike Strand."

Last week we revealed evidence of BYU Administrator and Congressional Candidate Karl Snow's business relationship with Mike Strand. It was noted that this writer initially came across the documents as a volunteer for Snow's opponent in the primary. Snow, we said, discounts the documents as forgeries. But we pointed out that the documents stem from various sources and are almost certainly genuine. Now Snow faces statements from others who witnessed his involvement.

On Monday Snow Spokesman Clark Caras told us that Snow had never denied having any connections with Strand. But in fact, he has come very close. In the August 20 Deseret News, Snow said: "I never attended any board meeting of Global Oil. I never accepted any stock in that company, although it was offered. I haven't seen Michael Strand in four years and have had nothing to do with his companies." Snow has made similar denials on many occasions.

Witnesses, along with the documentary evidence (*SR*, Oct. 3 1990), have now made Snow's denials untenable. And the fact that Snow has been less than

Snow was high and mighty. We felt we were not as important," says Gleason.

Gleason invested heavily, ultimately losing around $118,000. He also got friends including Percy Kalt to invest. The credibility borrowed from Snow and Smart was critical for all the investors, Gleason says:

"Without their involvement, we never would have gotten involved. Their credibility swept us along."

Strand knew he lacked credibility, Gleason says. "Strand was a blasphemer, and he didn't have credibility. But he would tell us that he had all these prominent guys 'in his pocket.' They were there to establish his credibility."

"I have six Jaguars," Strand would say as he lit a new cigarette from an old one, "your $25,000 means nothing to me." —Percy Kalt

Strand's antics at the meetings he and Snow both attended are nearly comic: "He [Strand] put people down. They would all defer to him. He would march around the room, scribbling figures on the board, swearing, gesticulating." Strand would sometimes even stand on his chair to emphasize a point.

Percy Kalt

The Perfect Target — "I never would have trusted Strand," says Percy Kalt of Provo. "To see him is not to trust him. But he told me about Karl Snow, Lyman Smart, and others." Kalt went to Snow for advice: "When I asked Snow about the company, he told me he was a major stock holder and a member of the board, and he said it was a good investment."

Kalt is a musician, a novice in the world of stocks, and the perfect target for this kind of scam. Kalt was initially contacted about this investment by Herb Gleason. At the time, Kalt had children on LDS missions and was struggling financially, so he considered the investment seriously—even though he would have to borrow the money.

Kalt recalls, "I went to the Boston Building in Salt Lake to visit Mike Strand, who told me that if I paid $25,000 for 7,000 shares, I could sell them in less [illegible] their present value."

taded to Strand mysteriously began to rise. (This should give the novice a sense for how stock manipulation works.)

Now when Kalt talked with Strand he was treated disdainfully. "'I have six Jaguars,' Strand said as he lit a new cigarette from an old one, 'your $25,000 means nothing to me.'" This was the man with whom Kalt invested based on Snow's character reference.

Kalt now asked Snow for an explanation, but Snow immediately distanced himself from the affair. "Don't get me involved with this. I have nothing to do with it," Snow said. Kalt's investment was a total loss: $25,000 plus interest on the loan.

Financially ruined, at his wits end, and stifled in his attempts to seek justice, Kalt took matters into his own hands. He firebombed Strand's house. The events which followed can, in light of the above, be viewed with a significant degree of sympathy. Kalt, who had been a respected professor at BYU, now found himself in legal difficulty, out of work, and struggling to put bread on the table. Today, he lives in the basement of his own home, the main part of which he rents out to help cover his debts.

Your Old Friend Karl — In August of this year, Kalt returned from vacation and found a message from one of Snow's aides on his answering machine. "We know you've been leaking information about Snow's relationship with Strand to the media," the voice said, "and we wondered why you would do such a thing." Kalt called Snow to tell him that he had been on vacation and knew nothing. "I'm glad to hear that," Snow replied.

This was not the only attempt to intimidate Kalt. On September 27, after reading a draft of this writer's first article, Karl Snow again called his old friend Percy Kalt. Kalt describes the call: "This call lasted over an hour. He tried to justify himself to me, and tried [illegible] in my mind as to what I should

"Strand was a blasphemer, and he didn't have credibility. But he would tell us that he had all these prominent guys in his pocket."
—Herb Gleason

Pulling Strings — John Darger says he attended many meetings with Snow and Strand. Strand's interactions with Snow were frequent, Darger says. One scene in particular is vivid in his memory—both because it was so striking and because it occurred more than once. Strand would insist that Snow do something, and Snow would decline. "You are f——ing going! to do it," Strand would bellow, pounding his fist on the table. Invariably, Snow would give in. "What Strand would say, Karl would do," Darger says.

Darger says, "when Strand first got involved, he told us that he had political connections who had pulled strings to get him out [of prison]." Strand also told Darger they needed someone with "influence" who could get things done. Darger says Strand told him, "'I want Karl Snow to be involved.' So he invited Snow down one day, and that was the first time I met him."

Darger sat in on various phone conversations between Strand and Snow. Some of these concerned stock prices. Darger says he remembers clearly that one "concerned the price of stock, that the stock needed some support in the market. I remember Strand telling him he was sure he'd make money."

Herbert Gleason

An Illusion of Legitimacy — Oh yes," says Herb Gleason, an investor who now lives in Lakeland, Florida, "It was clear Karl Snow was deeply involved from the beginning. We met Snow, Lyman Smart, and others—we met them all." (Lyman Smart, a bank officer, died under mysterious circumstances months after these events took place.)

In the Spring of 1985, Gleason attended several of Strand's meetings in which Karl Snow participated. Gleason says Snow frequently went in and out of an adjacent office to make phone calls. "Snow's name wasn't on the door, but we knew that it was his space.

Snow Says Go — Kalt continues, "I told Mr. Snow that I had been referred to him by Mike Strand on an investment proposal, and I understood that he could shed some more light on this. Snow said that, yes, he was a major stock holder. I told Mr. Snow that I would have to borrow the money, that this came at a difficult time when I had kids on missions and in college, and I didn't want to do anything that would put my meager finances in jeopardy. He assured me that this was a good thing. He also told me that he was a member of the board.

"I also asked Mr. Snow about what Mr. Strand had said about his release from prison—that it had been facilitated by Snow and that Snow felt that the IRS had put him in there unjustly. Snow confirmed this and said that Strand's conviction was a 'travesty.'" Snow told Kalt that Strand's conviction was an IRS problem, but Strand had actually been convicted for securities fraud and was still on probation.

"I came away with the definite feeling that I should do it, since he said he was a major stock holder. He said he had bought some stock and that he had received some for services he had performed. He mentioned a figure of around 100,000 shares. I remember feeling that this was certainly a lot of stock, compared to my 7,000 shares, and that's why I remember the numbers distinctly." Based on Snow's assurances, Kalt invested. Mrs. Kalt recalls her strong objections, noting that her husband repeatedly tried to reassure her by referring to those—including Snow—who were involved.

Anatomy of a Scam — Kalt wrote out a check on April 26, 1985. After an initial gain, Kalt's stock began a steady decline. All the while, Strand assured Kalt that it would turn around. Finally, when his stock was next to worthless, Kalt approached Strand again. This time, Strand offered to transfer his stock to another company, Atlantic Mining Inc. Kalt agreed, and then watched this stock collapse. Meanwhile, the stock he had just [illegible] it was actually 100,000 shares in another Strand outfit.

Kalt says Snow "also denied having been an officer in the company and denied having helped Mike Strand out of prison. Twenty minutes later, it came up again, and I said, 'Mike Strand gave me your name and said that you had helped him get out of prison when the IRS had put him there.' Snow said 'Yes, that's true.'" Charitably, Kalt did not point out the contradiction.

Kalt says Snow then said that he "would like me to sign an affidavit that he had not influenced me to invest and that he had not said that he was involved. He said that he would have someone contact me." The next day, Kalt decided to go public.

Notes

1) The statements of Darger, Kalt, and Gleason are plausible and consistent with each other and with evidence in court files.

2) To say that Snow was "used" is defense. What if he was "used"? If he succumbs to Strand, how will he handle the ethical complexity of Washington? If he was a pawn, then he is easily manipulated and is a poor judge of character.

3) Caras asked us why no one has pointed these things out before. Here's why: To speak of a man's wrongdoings is normally gossip. But someday the priest may say, "If anyone knows a reason why this couple should not be wedded, let them speak now or forever hold their peace." At that moment, what was gossip becomes a civic duty. It is for such a reason that no one brought this information out before—and why they do so now.

4) An attorney and a CPA are looking into the records. Hope for the best, but expect the worst. Expect a whitewash. Expect them to answer questions that weren't asked. Questions like: Is there evidence of any specific illegality? Ethics extend beyond legality.

5) Perhaps Snow's arrogance to date rests on well-founded confidence that the public and press will continue to handle him with the kid gloves his has enjoyed until now. If he gets away with it, it will be a sad reflection on Utah.△

The original version of this article appeared in Student Review, *October 10, 1990.*

UEG ***This publication is the product of Utahns For Ethical Government, a non-partisan, independent, citizen group. UEG hopes the voters will seriously consider their selection at the polls November 6th. We invite your comments and questions. Write UEG, P.O. Box 66, Provo, UT 84603***

000062

9704383504 31

- Paul Richards contacted him
- Paid for by Karl Snow
- Delegate to Republican Convention
  Wore Snow for Congress hat
- He lives in same stake as
- Didn't contact Orton
- Bramble knows he Snow for a
  long time

9704383043 32

9704383043 3



000064

Niels – 377-1776 Col/CC's 800/345-1450

Salt Lake Tribune, Thursday, September 13, 1990

ernor Needs n Counsel, es Van Dam

rney general should be the adviser to state officials es, but the governor s of- separate legal representa- h Attorney General Paul told members of the Con- l Revision Commission.

d not resist trying to pro- governor with the legal needs and deserves," Mr. said Wednesday while efore the commission.

ery strongly that I'm the ver and the governor is the er," he said. "We give le- not policy advise."

mittee charged with mak- endations to the Legisla- ding changes in the Utah n declined to take any ion Wednesday, but will topic at its Oct. 12 meet-

ernor needs an attorney," m said. "I just don't want be worse than the dis- aid, telling the members s limited authority for legal counsel to the gov-

some state agencies with tutory authority, such as service Commission, hire unsel, Mr. Van Dam said a "clear national prefer- d consolidation of legal ier state attorneys gener-

a better bang for your g it through the attorney

Stock Promoter Facing Extradition to

By Dawn House
Tribune Staff Writer

A stock promoter whose home was torched last year by a disgruntled investor will be extradited to Wyoming to face a bond revocation hearing that could put the promoter back in jail, officials say.

Michael William Strand, 47, was sentenced in May to four months in a federal halfway house on the promoter's conviction of being a felon in possession of weapons he said he kept for self defense.

Strand also was ordered to serve one year probation and fined $4,000 on two felony charges of owning three pistols, a rifle and two 12-gauge shotguns.

That May conviction has prompted federal prosecutors to ask that Strand be extradited to Wyoming to face a bond revocation hearing, scheduled for Sept. 28.

"Since Strand has been convicted of another crime while on bond, we are seeking to revoke the bond," said Wyoming federal prosecutor Lee Pico. "Basically, we want to put him in jail."

Strand was sentenced to 7 years in prison in 1987 on charges of mail fraud and conspiracy to commit fraud involving $10 million of securities fraud, said Mr. Pico. He was released on a signature bond, however, pending appeal of the case.

Strand was involved in a scheme defrauding investors in Wyoming, Florida and Tennessee through Classic Mining. He told investors that the company was pumping as much as 900 barrels of oil a day when reports filed with the Wyoming Oil and Gas Commission showed wells were pumping no more than 6 barrels a day, and some wells weren't working, Mr. Pico said.

Last December, former Brigham Young University music professor Percy T. Kalt, 58, was sentenced to 30 days in jail for building two firebombs he threw at Strand's home, after allegedly losing $25,000 in stock investments.

No one was injured in the March 6 blast, but one of the homemade bombs went through a basement window of Strand's Bountiful home, causing $7,000 in damages.

Strand was convicted of the weapons charges on Feb. 2 after Internal Revenue Service agents found firearms in his Salt Lake City office and home while seizing property in lieu of payment for delinquent taxes.

Defense attorney John Caine argued that even though Strand is classified as a "restricted person," he obtained the guns after receiving a string of threatening phone calls and letters.

U.S. District Judge J. Thomas Greene sentenced Strand to serve four months in a federal halfway house after his attorney argued that

'Career' Drug Dealer Gets 24-Year Sentence

By Dawn House
Tribune Staff Writer

A U.S. District judge on Wednesday sentenced a 30-year-old convicted drug dealer to more than 24 years in prison, saying federal law dictates harsh sentences for career criminals.

"If it weren't for the guidelines I wouldn't be doing this, but I have to follow the law," said Judge David Winder in sentencing Robert Sain McHenry to 24 years and 6 months in prison.

McHenry stacked up three separate drug-trafficking convictions within 10 years, classifying him as a career crim federal sentencing guidelines.

Under congressional sentencing guidelines, inmates are not eligible for early release from federal prison. They must serve their entire prison term.

"People don't realize the type of sentences involved in drug crimes," said prosecutor Wayne Dance. "That's the greatest frustration in my job. The purpose of the guidelines is deterrence but without knowledge there is no deterrence."

McHenry pleaded guilty to two single counts: possession with intent to distribute 500 grams of co-

ing 17 ounces of cocaine to an undercover agent from Metro Narcotics Strike Force on Jan. 23 for a sale price of $17,000, according to court documents.

SWAT team members executed a no-knock search warrant at Holiday Inn in downtown Salt Lake City where McHenry was staying, after the defendant telephoned the agent at midnight and told him the drugs were weighed and ready to be sold.

Earlier, he gave the undercover officer 2 grams of the drug as a sample, with the warning that he

guilty plea to using a telephone in commission of a felony and aiding and abetting.

McHenry was convicted in 1981 and 1983 in Florida state court for possession with intent to distribute cocaine and hashish.

Defense attorney Michael Jaenish argued that McHenry should not be classified as a career criminal because amounts of drugs involved in the defendant's prior convictions in Florida were small.

Mr. Jaenish also said McHenry pleaded no contest to the 1983 charge in order to be placed on probation, as part of the plea agreement.

Snow says he will be exonerated by probe

■ Awaiting report: Investigation will show that I was only an investor, 3rd District candidate says.

By Bob Bernick Jr.
Deseret News political editor



Third District GOP congressional candidate Karl Snow believes he will be exonerated by an investigation conducted by an attorney and accountant into his dealings with convicted stock swindler Michael Strand and two companies both men were involved with several years ago.

"What it (the investigation) will show, I believe, is that I was an investor — I lost money in the investment — and had nothing else to do with it," said Snow, who asked the two men to conduct the investigation after he found out from a Deseret News reporter several weeks ago that 100,000 shares in stock in one of the penny stock companies had been listed in his name and traded long after Snow believed he was out of transactions. The two men will make their report sometime next week.

"I wanted to get to the bottom of this, mainly because if someone did issue stock in my name, and if that stock had any value, then I could be accused of having a significant tax liability."

Accusations of wrongdoing by Snow surfaced during his bitter Republican primary contest with John Harmer. The Deseret News has published a number of stories on the allegations against Harmer and Snow. Snow crushed Harmer in the Sept. 11 primary, but Snow says Harmer supporters are still pushing the Strand issue behind the scenes and to reporters.

At issue is Snow's involvement in the attempted — but failed — merger of two companies, Unique Battery and Global Oil. While Strand has been convicted previously for fraud in stock operations, no criminal charges have been filed in the Unique Battery/Global Oil case. However, parties have filed civil suits over the matters. Snow is not named in any of those civil suits, court records shows.

Snow, the former majority leader in the Utah Senate, met Strand, a former aide to Democratic Gov. Calvin Rampton in the early 1980s. "I've never said I never had any dealings with Michael Strand. I say I was never in business with him. I was just an investor in several companies he sold stock for."

In late 1984 and early 1985 — after Snow had lost a bid for the governor's office and left the Senate — Snow, a Brigham Young University professor, looked into a company called Unique Batteries.

SNOW

Continued from B1

The company made and marketed a new kind of car and truck battery — one that used less acid, held a charge longer and recharged quicker. The company, led by John D. Darger, decided to go public to raise more capital to expand. Company officers chose Strand as the man to help sell stock.

"Strand brought in a couple of new investors," said Darger. "One was Karl Snow. I'd never met him before. Strand told me we could use Snow and his political connections to help sell not only the batteries, but also to help sell stock."

Snow was offered 100,000 shares in the takeover company, Global Oil. According to Darger, Strand drew up a list of new directors and included Snow on the list. "I was offered a directorship, too," says Snow. "I declined the 100,000 shares of stock, which were to be given as compensation to serving on the board, and I declined the directorship as well."

Unique Battery documents show that Snow signed a reorganization plan, saying he held shares of Unique Battery stock that would be transferred to Global Oil for Global stock. Snow admits he signed the document. "It is a perfectly legal way to transfer stock without incurring a tax liability. I never held any Unique Battery stock, however. This was when I was considering joining Global, but I didn't. We have documents from the State Securities Division showing that that Unique Battery stock was never issued at all."

Snow says he was impressed with the new battery. "I thought it had real potential. The reason I withdrew from the deal, and I believe this is the first time I've ever told anyone the real reason, was that I learned that several people in Unique Battery — those who would be in Global Oil — were polygamists. I may not be the smartest man in the world, but I'm not stupid. There was no way a Brigham Young University professor was going into business with polygamists. And if I were a director, I'd be in business with them."

However, 100,000 shares of Global Oil stock were issued in Snow's name in June 1985. Global documents also list a "Carl Snow" as a vice president of the company. "I never approved of that, never agreed to it. I was never vice president. I never had possession of that stock," Snow says. Snow believes his investigation will show that the 100,000 shares were held at a stock transfer company and then by Strand himself.

Darger says Snow came to Global's offices several times, maybe a dozen, in the spring of 1985 and met with Strand, a couple of meetings which Darger attended, talking about company matters. "Not so I met with John Darger twice, maybe

[illegible] Snow. He was not acting as a company officer, he said.

Strand confirms Snow's version of the story, saying Snow was not an officer in Global Oil, that Snow declined the offer of stock and directorship.

More than a year later, after the merger fell apart and Darger and battery's inventor had left Global Oil, the stock in Snow's name was transferred to M&L Investments, a company controlled by Strand.

"I did give Mike a stock power (the right to control the stock) — that is common procedure in these matters. I vaguely remember he called me and said I needed to do that. I never received any money or anything for that stock (the 100,000 shares). I haven't had anything to do with Mike in years."

Snow did, independent of Strand, buy 11,000 shares of Global Oil stock from a brokerage house, some in his own name, some in joint ownership with his mother, who has since died. He bought the stock, he says, because he believed it to be a good investment. In 1987, he sold some of that stock, his income tax returns show. He sold the rest in 1989, after the stock had stopped trading.

"I took the legal allowed loss of $3,000 on the stock. I lost money on it," Snow said.

Snow also bought stock in another company Strand had dealings with, Classic Mining. He still owns that stock and values it at between $5,000 and $15,000 on a financial report filed with the U.S. House. "I think it's basically worthless, I put down on the filing what I paid for it. I still own it." Strand was convicted in the late 1980s in federal court of mail fraud in his selling of Classic Mining stock. He's appealing that conviction and his three-year sentence.

Upon reflection, Snow says, he's sorry he had anything to do with Unique Battery, Global Oil or Strand. "From a political aspect, of course it hasn't been good. It appears that I was used in this (the Unique Battery/Global Oil merger), that someone was trading on my name. I didn't know about it then. I never would have allowed it."

Snow says the only person he talked to about Unique Battery, the only potential investor, was Percy Kalt, a fellow BYU professor. "But we only talked about the battery itself, whether it would work or not. That type of thing. We never talked about Global Oil or company matters." Snow says he didn't recommend to Kalt that he invest in the company.

Kalt invested $25,000 in Global Oil. When the merger failed, Kalt lost his investment and began threatening Strand, demanding his money back. In March 1989, Kalt firebombed Strand's Bountiful home, threatening more harm if Strand didn't return his investment. Kalt was convicted and served 60 days in jail for that crime.

9704383043 5
990000

Deseret News 10/6/90



PHOTOGRAPHY PAUL E. PARKINSON

ok Substation was the scene of a heroic rescue.



SNOW

Continued from B1

The company made and marketed a new kind of car and truck battery — one that used less acid, held a charge longer and recharged quicker. The company, led by John D. Darger, decided to go public to raise more capital to expand. Company officers chose Strand as the man to help sell stock.

"Strand brought in a couple of new investors," said Darger. "One was Karl Snow. I'd never met him before. Strand told me we could use Snow and his political connections to help sell not only the batteries, but also to help sell stock."

Snow was offered 100,000 shares in the takeover company, Global Oil. According to Darger, Strand drew up a list of new directors and included Snow on the list. "I was offered a directorship, too," says Snow. "I declined the 100,000 shares of stock, which were to be given as compensation to serving on the board, and I declined the directorship as well."

Unique Battery documents show that Snow signed a reorganization plan, saying he held shares of Unique Battery stock that would be transferred to Global Oil for Global stock. Snow admits he signed the document. "It is a perfectly legal way to transfer stock without incurring a tax liability. I never held any Unique Battery stock, however. This was when I was considering joining Global, but I didn't. We have documents from the State Securities Division showing that that Unique Battery stock was never issued at all."

Snow says he was impressed with the new batt... "I thought it had real potential. The reason I withdrew from the deal, and I believe this is the first time I've ever told anyone the real reason, was that I learned that several people in Unique Battery — those who would be in Global Oil — were polygamists. I may not be the smartest man in the world, but I'm not stupid. There was no way a Brigham Young University professor was going into business with polygamists. And if I were a director, I'd be in business with them."

However, 100,000 shares of Global Oil stock were issued in Snow's name in June 1985. Global documents also list a "Carl Snow" as a vice president of the company. "I never approved of that, never agreed to it. I was never vice president. I never had possession of that stock," Snow says. Snow believes his investigation will show that the 100,000 shares were held at a stock transfer company and then by Strand himself.

Darger says Snow came to Global's offices "several times, maybe a dozen" in the spring of 1985 and met with Strand, a couple of meetings which Darger attended, talking about company matters. "Not an... met with John Darger twice, maybe three times before I decided not to be involved," says Snow. He was not acting as a company officer, he said.

Strand confirms Snow's version of the story, saying Snow was not an officer in Global Oil, that Snow declined the offer of stock and directorship.

More than a year later, after the merger fell apart and Darger and battery's inventor had left Global Oil, the stock in Snow's name was transferred to M&L Investments, a company controlled by Strand.

"I did give Mike a stock power (the right to control the stock) — that is common procedure in these matters. I vaguely remember he called me and said I needed to do that. I never received any money or anything for that stock (the 100,000 shares). I haven't had anything to do with Mike in years."

Snow did, independent of Strand, buy 11,000 shares of Global Oil stock from a brokerage house, some in his own name, some in joint ownership with his mother, who has since died. He bought the stock, he says, because he believed it to be a good investment. In 1987, he sold some of that stock, his income tax returns show. He sold the rest in 1988, after the stock had stopped trading.

"I took the legal allowed loss of $3,000 on the stock. I lost money on it," Snow said.

Snow also bought stock in another company Strand had dealings with, Classic Mining. He still owns that stock and values it at between $8,000 and $15,000 on a financial report filed with the U.S. House. "I think it's basically worthless. I put down on the filing what I paid for it. I still own it." Strand was convicted in the late 1980s in federal court of mail fraud in his selling of Classic Mining stock. He's appealing that conviction and his three-year sentence.

Upon reflection, Snow says, he's sorry he had anything to do with Unique Battery, Global Oil or Strand. "From a political aspect, of course it hasn't been good. It appears that I was used in this Unique Battery/Global Oil concept. But, someone was trading on my name. I didn't know about it then. I never would have allowed it."

Snow says the only person he talked to about Unique Battery, the only potential investor, was Perry Kalt, a fellow BYU professor. "But we only talked about the battery as a unit, whether it would work or not. That type of thing. We never talked about Global Oil or company matters." Snow says he didn't recommend to Kalt that he invest in the company.

Kalt invested $20,000 in Global Oil. When the merger failed, Kalt lost his investment and began threatening Strand, demanding his money back. In March 1988, Kalt fire-bombed Strand's furnished home, threatening more harm if Strand didn't return his investment. Kalt was convicted and served 90 days in jail for that crime.

Canyonlands to end fees during winter

MOAB — Entrance and campground fees will be collected through Oct. 14 at Canyonlands National Park, Superintendent Harvey Wickware announced this week.

Entrance fees will be collected at the Needles and Island in the Sky district visitor centers through closing time Sunday, Oct. 14. That is also the last night of the season that campground fees will be collected at Squaw Flat Campground in the Needles District.

Fee collection will resume next March.

000067

9704383043 36

PLAN AND AGREEMENT OF REORGANIZATION

GLOBAL OIL COMPANY, a Utah corporation, (hereinafter sometimes called "buyer"), UNIQUE BATTERY SYSTEMS, INC., a Utah corporation, (hereinafter sometimes called "U.B.S.I."), and Twenty-three natural persons who are the individual owners of all the issued and outstanding shares of U.B.S.I., (hereinafter sometimes called "Sellers"), hereby agree as follows:

ARTICLE I

PLAN OF REORGANIZATION

Plan Adopted

Section 1.01: A plan of reorganization of Buyer, U.B.S.I., and Sellers is adopted as follows:

a. Sellers will transfer to Buyer all of their right, title and interest in and to 45,864 common shares of U.B.S.I. comprising one hundred percent (100%) of the issued and outstanding shares thereof, pursuant to the terms and conditions hereinafter set forth.

b. In exchange for the shares transferred by Sellers pursuant to this agreement, Buyer will cause to be issued and delivered to Sellers pro rata to their ownership of shares of U.B.S.I., Thirteen million, seven hundred fifty-nine thousand, one hundred seventy-six (13,759,176) shares of Buyer's five cent ($.05) par value common stock, to be delivered at the close. The 13,759,176 shares of Buyer to be issued cumulatively to Sellers shall constitute not less than 81.2% of the total shares of Buyer which will be

9704383043 37

outstanding immediately after closing. The said common stock of Buyer shall, when issued, be validly authorized and issued, fully paid and non-assessable.

Closing Date

Section 1.02: This plan of reorganization shall be closed and consummated when signed by all the parties. The date of such consummation is the "closing date" or "closing" as referred to herein. "Final Closing" shall occur when this agreement has been ratified by a majority of the outstanding shares of Buyer.

ARTICLE II

COVENANTS, REPRESENTATIONS AND WARRANTIES OF BUYER

Legal Status

Section 2.01: Buyer is a corporation duly organized, validly existing and in good standing under the laws of Utah with lawful power to conduct all businesses in which it is engaged in all jurisdictions in which it is found.

Section 2.02: Buyer has an authorized capitalization of 6,000,000 common shares of five cent ($.05) par value. Prior to or contemporaneously with the final close, its capital will be $1,000,000 divided into 20,000,000 common shares of a par value of five cents ($.05) per share. There are now and will be at closing not more than 3,176,000 such shares outstanding. Buyer warrants that there will, immediately after the closing of this agreement, be not more than 16,935,176 common shares of Buyer outstanding.

9/043830438

There are no further contracts or other documents requiring the issuance of further shares of Buyer. There are no outstanding options, warrants or securities convertible into common stock of Buyer.

Financial Condition

Section 2.03: The unaudited financial statement of Buyer as at December 31, 1983, attached hereto as Exhibit I, fully and accurately represents the financial condition of Global Oil Company at the date indicated. There are not, and will not have been any material changes in such financial condition from that date to the date of closing.

Performance Not Violative of Any Instrument

Section 2.04: The performance by Buyer of its obligations under this agreement will not result in any breach of the terms or conditions of, or constitute a default under, any agreement or instrument to which Buyer is a party, or by the terms of which Buyer is bound.

Material Contracts

Section 2.05: Buyer is not, and at the closing date will not be a party to, or bound by any material, oral or written contract for the employment of any officer or employee or commitment for any special bonus, compensation or severance pay; or any pension, profit-sharing, retirement or stock purchase plan with its employees or others; or any contract with any labor union.

9704383043 9

Litigation

Section 2.06: There are not now, and at the closing there will not be any material claims, actions, proceedings or investigations pending or threatened against Buyer in any court or regulatory agency, nor any orders, writs or injunctions issued out of any such court or agency affecting Buyer.

Taxes

Section 2.07: Buyer does not owe any state, federal or local taxes and has filed all tax returns required to be filed by it excepting those related to accrued taxes for the current year, filings on which are not yet due.

Securities to be Issued

Section 2.08: The shares of Buyer to be issued pursuant to this agreement are of five cent ($.05) par value and have equal voting rights as all other shares of Buyer outstanding. Sellers hereby acknowledge their awareness that the said shares will not, when issued, have been registered under either the Securities Act of 1933 or under the Uniform Securities Act of any state; but are being issued in reliance on the exemption from federal registration provided by Section 4(2) of the Securities Act of 1933 for transactions not involving any public offering and from state registration by applicable isolated transaction exemptions. In connection therewith, Sellers individually acknowledge, warrant and represent as follows:

97U4306040

a. They have received and reviewed, as to Buyer, certain information prepared by Buyer pursuant to Rule 15c2-11 of the Exchange Act, including financial statements.

b. Sellers are persons of sufficient business experience to evaluate this transaction. Each Seller is financially able to bear the risk of his investments in Buyer's common shares.

c. Each of the Sellers is purchasing Buyer's shares for his own account, for purposes of investment and not with a view to distribution.

d. Each Seller consents to the placement on each certificate representing his shares of Buyer of a standard form investment legend stating that the shares are not registered under the Securities Act of 1933 and cannot be sold, hypothecated or transferred without registration or under an appropriate exemption from registration. Each Seller acknowledges his familiarity with Rules 144 and 237 of the S.E.C. which generally govern resale of restricted securities. Each Seller further concedes that Buyer has not represented, directly or indirectly, that the exemption provided by either rule will ever be available to him or his assignees.

e. Each Seller hereby consents to the placement of "stop-transfer" instruction as to all shares issued to him hereunder.

9704383044 1

ARTICLE III

ACCESS TO BUSINESS RECORDS OF BUYER PENDING THE CLOSING

Section 3.01: Buyer will afford Sellers or their accredited representatives, pending closing, full access during normal business hours to all properties, books, accounts, contracts, commitments and records of every kind of Buyer.

Section 3.02: In addition, Buyer will permit Sellers to make extracts or copies of all such documents and to supply such additional information or material as may be reasonably necessary to fully inform Sellers of the condition of Buyer. Each Seller agrees to hold and use all such information in confidence.

ARTICLE IV

COVENANTS, REPRESENTATIONS AND WARRANTIES OF UNIQUE BATTERY SYSTEMS, INC.

Legal Status

Section 4.01: Unique Battery Systems, Inc. is a corporation duly organized, validly existing and in good standing under the laws of Utah with lawful power to conduct all business in which it is engaged, and in all jurisdictions in which it is found.

Section 4.02: There are now and will be at closing not more than 45,864 common shares outstanding in the hands of not more than twenty-three registered and/or beneficial holders.

9704383042

U.B.S.I. is not under any obligation, contractual or otherwise, to issue any additional stock, or securities convertible into stock, and there are outstanding no options, warrants or securities convertible into common stock of U.B.S.I..

Financial Condition

Section 4.03: The consolidated financial statement of U.B.S.I., attached hereto as Exhibit II, fully and accurately represents the financial condition of U.B.S.I. at the date indicated. There have been no material changes in such financial condition from that date to the date of closing, except those arising from the ordinary conduct of its business.

Performance Not Violative of Any Instrument

Section 4.04: This plan and agreement of reorganization will not result in any breach of the terms or conditions of, or constitute a default under, any agreement or instrument to which U.B.S.I. is a party, or by the terms of which it is bound.

Material Contracts

Section 4.05: U.B.S.I. is not, and at the closing date will not be a party to, or bound by any material, oral or written contract for the employment of any officer or employee or commitment for any special bonus, compensation or severance pay; or any pension, profit-sharing, retirement or stock purchase plan with its employees or others; or any contract with any labor union.

Litigation

9704383004413

Section 4.06: There are not now, and at the closing there will not be any material claims, actions, proceedings or investigations pending or threatened against U.B.S.I. in any court or regulatory agency, nor any orders, writs or injunctions issued out of any such court or agency affecting U.B.S.I.

Taxes

Section 4.07: U.B.S.I. does not owe any state, federal or local taxes and has filed all tax returns required to be filed by it except accrued taxes for the current year as to which filings are not yet due.

ARTICLE V

CONDUCT OF BUSINESS OF UNIQUE BATTERY SYSTEMS, INC. PENDING THE CLOSING

Section 5.01: U.B.S.I. shall be entitled to conduct its regular and ordinary business pending the closing.

Section 5.02: U.B.S.I. will afford Buyer and its accredited representative, pending closing, full access during normal business hours to all its properties, books, accounts, contracts, commitments and records of every kind.

Section 5.03: In addition, U.B.S.I., will permit Buyer to make extracts or copies of all such documents and to supply such additional information or material as may be reasonably necessary to fully inform Buyer of the condition of U.B.S.I. Buyer agrees to hold and use all such information in

9704383044

confidence.

ARTICLE VI

LEGAL OPINIONS

Section 6.01: The obligations of the parties hereunder shall be, at their individual discretion, subject to their respective receipt of opinions of their counsel in form satisfactory to them to the effect that the shares of stock to be delivered hereunder will, when delivered, be validly issued, fully paid and non-assessable voting shares of the other party after delivery pursuant hereto.

ARTICLE VII

MISCELLANEOUS

Section 7.01: Notices. Any notice or other communications required hereby shall be deemed delivered when deposited in the United States mails for transmittal by certified or registered mail, postage prepaid, return receipt requested, addressed to the respective corporate and individual parties hereto as set forth on Exhibit III hereof.

Section 7.02: Entire Agreement Counterparts. This instrument and the exhibits and schedules hereto contain the entire agreement of the parties. It may be executed in any number of counterparts, each of which shall be deemed original, but such counterparts together constitute only one and the same instrument.

9704383044 5

Section 7.03: Controlling Law. The valididity, interpretation of terms and performance of this agreement shall be governed by and constructed under the laws of Utah .

WHEREFORE, we have set our hands hereunto this 5 day of February, 1985.

GLOBAL OIL COMPANY

President

ATTEST:

Secretary

UNIQUE BATTERY SYSTEMS, INC.

President

ATTEST:

Secretary

SELLERS:

9704383004 46

Soren Eskel Peterson

Abel K. Edwards [illegible]

[illegible]

Kare N. Snow, Jr.

[illegible]

[illegible]

Kim Randell

[illegible]

[illegible]

P 7 0 4 3 8 3 0 4 4 7

9704383044 8

— 530-6600
530-4845

175 - GLOBAL OIL COMPANY

ATLAS STOCK TRANSFER
SHAREHOLDERS REPORT

DATE 04/28/87 PAGE 42

NAME & ADDRESS	ACCOUNT NUMBER	ACCOUNT SHARES	PRE FIX	CERT NUMBER	CERT SHARES	DATE ISSUED	DATE STOPPED	DATE RESTATED
		15000 **			15000 **			
KARL SNOW 1847 NO OAK LANE PROVO UT 84604	801060	117500						
			SL	0004547	6000	4-01-85		
			SL	0004550	1000	4-03-85		
			SL	0004551	1000	4-03-85		
			SL	0004588	4500	4-15-85		
			SL	0004822	100000	6-28-85	12-09-86	6-28-85
			SL	0005256	5000	11-14-86		
		117500 **			117500 **			
RODNEY SNOW 00000	801075 ** NO **							
		1666						
			SL	0004184	1666	9-28-84		9-28-84
		1666 **			1666 **			
WANDA M SNOW & KARL N SNOW JTTEN 1156 E CEDAR AVE PROVO UT 84604	801100	4000						
			SL	0005177	4000	9-26-86		
		4000 **			4000 **			
LADELIA F SODER 3240 SCOTT AVE NORTH GOLDEN VALLEY MN 55422	801500	500						
			SL	0005524	500	3-25-87		
		500 **			500 **			
MOHAMMED SOLTANI 2493 KENSINGTON SALT LAKE CITY UT 84108	801700	1000						
			SL	0004295	1000	2-26-85		
		1000 **			1000 **			
STUART SORENSON 5716 SOUTH 6700 WEST HOOPER UTAH 84315	804370	500						
			SL	0000656	500	10-24-80		

(6 M.1 Gl. Stk total)

000079

9704383449

INTRODUCTION

During the 1990 political campaign, prior to the primary elections, certain documents were circulated alleging that Utah's Third Congressional Candidate, Karl N. Snow, may have been involved in questionable business and financial transactions with Michael Strand, an individual who had been previously convicted of felonies related to both stock fraud and income tax evasion. These documents were forwarded to an "Independent Attorney's Committee" for review. This committee concluded that, based on the information provided, there was "no indication of any illegal or improper conduct on the part of Mr. Snow."

In recent weeks, there have been several additional documents circulated which have brought new allegations concerning Snow's involvement and "business dealings" with Michael Strand. On September 25, 1990, the independent accounting firm of Curtis S. Bramble, Certified Public Accountants, was engaged by Karl Snow to look into specific allegations that:

1) Did Karl Snow receive compensation, in the form of stock certificates, in connection with services performed in the Global Oil/Unique Battery reorganization? Specifically, were 100,000 shares of stock in Global Oil/Unique Battery issued to Snow in exchange for his service as an officer and member of the Board of Directors of the newly reorganized company, and, if so, was this compensation properly reported for income tax purposes?

2) Was Karl Snow involved in fraudulent stock transactions with Michael Strand and his companies, including Global Oil, Unique Battery, and Classic Mining? Specifically, was Karl Snow a participant in a "stock fraud manipulation scheme"?

3) Did Karl Snow have income related to his other stock dealings with Michael Strand which were not properly reported for income tax purposes?

4) Was Karl Snow involved in "insider trading" related to his dealings with Michael Strand?

During their investigation of the above stated allegations, Curt Bramble, CPA, and Byron Smith, an attorney associated with Mr. Bramble's accounting firm,

interviewed several individuals who were personally involved in the Global Oil/Unique Battery dispute. Individuals interviewed included: Karl N. Snow, Third Congressional Candidate; Michael Strand, a key figure in stock transactions related to both Global Oil and Unique Battery; John Darger, who signed several documents as "President" of Unique Battery Systems, Inc.; James Barber, a securities and trial attorney who was apparently engaged by both Michael Strand and John Darger to draft the documents for a proposed acquisition and reorganization of Unique Battery Systems, Inc. by Global Oil, Inc.; Frank Kimball, owner of Atlas Stock Transfer, the stock transfer company involved in actually issuing and recording Global Oil's stock transactions; and the State of Utah, Division of Corporations and Commercial Code. In addition, Mr. Bramble and Mr. Smith researched leads on independent sources of documentation, reviewed court records, and reviewed documents provided by Karl Snow, Michael Strand, the Independent Attorney's Committee, Atlas Stock Transfer Company, the Provo Daily Herald, the Utah Department of Commerce, Division of Corporations and Commercial Code, and previously circulated documents from anonymous sources.

9704380450

BACKGROUND

In 1983, Unique Battery Systems, Inc., (Unique) was formed by John Darger, Ronald Sorth, and Gayle Sorth. The purpose of this corporation was to manufacture and market a new type of battery which had been developed by Ronald Sorth. Manufacturing and marketing this "unique battery" required substantial infusions of capital. In 1984, John Darger approached Michael Strand for assistance in raising the needed capital. According to James Barber, the attorney engaged by Strand and Darger to draft the documents, a plan was conceived whereby Global Oil Company, Inc., (Global) would acquire all of the outstanding shares of stock of Unique in a tax-free reorganization. As part of the proposed reorganization, or merger, outstanding shares of stock in Unique were to have been issued to several

individuals in exchange for their involvement in the reorganization. All outstanding shares of Unique stock were then going to be exchanged for Global stock. Atlas Stock Transfer Corporation (Atlas) was engaged by the parties to facilitate the merger. Certain documents were executed in conjunction with this planned merger, however, as evidenced by Court documents, consummation of the plan never fully materialized.

Ronald Sorth apparently owned the rights to the formula for manufacturing the new battery. It is unclear whether Sorth actually transferred the formula to Unique, however, allegations of impropriety on the part of Global, Unique, and Atlas surfaced, and the various parties entered into litigation. In two separate causes of action, civil suits were filed in the Third Judicial District Court of Salt Lake County. Global was the plaintiff against Unique (Civil No. C-86-4029), and Atlas was the plaintiff against Global (Civil No. C-88-2116).

While it is beyond the scope of this investigation to reach conclusions as to the nature of the relation between Karl Snow and Michael Strand, it is clear that at some point, late in 1984, or early in 1985, Snow was informed of the new battery system by Strand. Snow stated that he was keenly interested in the potential of the newly developed battery, and began investigating Unique's investment potential. Snow toured Unique's manufacturing facility and met several of Unique's key people. During this same period, Snow stated that Strand told him of the proposed plan of reorganization of Unique and Global, and that Strand asked him to serve on the board of the reorganized Global Oil Company. From August, 1984, through September, 1985, Snow purchased stock in both Global Oil and Classic Mining, another company Strand was involved in. Records indicate that he purchased 11,000 shares of stock in Global for $19,545, and 360,625 shares of stock in Classic Mining for $33,000.

9/043830451

ANALYSIS AND CONCLUSIONS

ISSUE ONE

Did Karl Snow receive compensation, in the form of stock certificates, in connection with services performed in the Global Oil/Unique Battery reorganization? Specifically, were 100,000 shares of stock in Global Oil/Unique Battery issued to Snow in exchange for his service as an officer and member of the Board of Directors of the newly reorganized company, and, if so, was this compensation properly reported for income tax purposes?

As indicated above, Snow had been asked to serve as a member of the Board of Directors of the reorganized Global Oil Company. In exchange for accepting this position, he was offered 100,000 shares of stock in Unique, which were then to have been exchanged for 100,000 shares of stock in the reorganized Global Oil Company. In light of his position at Brigham Young University, and after careful consideration, Snow informed those involved that he could not accept the offer.

We have been unable to ascertain whether Unique Battery stock was ever actually issued, however, on June 28, 1985, 100,000 shares of stock in Global were issued in the name of Karl Snow. Once the 100,000 shares were issued in Snow's name, either the shares had to be cancelled by the company, or Snow would have had to endorse the shares to transfer them to another name. There is no evidence to indicate that Snow ever actually received or acknowledged ownership in these shares of stock. Atlas Stock Transfer Company was unable to provide any documentation indicating that Snow actually received the 100,000 shares, nor could Atlas provide any documentation indicating that Snow requested a transfer of the shares. These shares were subsequently transferred to a company known as M & L Investments. According to Strand, M & L referred to Michael, and his wife, Lois Strand. To facilitate transfer of the stock, Strand stated that he "asked Snow to endorse the back of some certificates, and execute several blank "Stock Powers" for the other certificates." Corroborative statements indicate that, while Snow's signature

9704383045 2

appears on the stock certificate, or stock power, Snow never performed services for the corporation, nor had he actually received or acknowledged ownership of the stock.

We found no evidence to support allegations that Snow ever participated in the management or operations of either Unique Battery, or Global Oil. The Utah Department of Commerce, Division of Corporations and Commercial Code, in reference to Karl Snow being an officer or member of the board of Global Oil Company stated: "In reviewing the complete file of this corporation the name of KARL N. SNOW does not appear in our records as being an officer, or director, or holding any position related to this corporation at any time."

We found no evidence that Snow was a defendant in any of the suits filed regarding Global, Unique, or Atlas. The reason Snow was not a defendant is addressed in response to an interrogatory filed with the Court, and in a letter, dated February 16, 1988, to Frank Kimball, from Sharmin Dyslin, Global Oil secretary. The letter indicates that on August 28, 1986, there was a recision of the acquisition of Unique Battery Systems by Global Oil Company. The letter also states that the stock in question had been "issued in anticipation of the acquisition", and had been previously surrendered. We concluded therefore, that the individuals, including Snow, in whose name stock had been issued, but whose shares had been surrendered, were not named as defendants. James Barber indicated that, when the deal between Global and Unique fell through, because they laid no claim to the previously issued stock, nor were they involved with the companies, several individuals, including Snow, were not named as defendants in the ensuing legal battles.

Based on the available documentation, and on responses received in interviews with involved individuals, we have no indication that Snow was involved in any illegal or improper activities. We further conclude that Snow was not an officer or

9704383045 3

director of either Global or Unique; that Snow did not perform any services for either of these companies; that stock was issued in the name Karl Snow and subsequently transferred; that the transfer of stock from the name Karl Snow has no tax implications for Snow; that Snow did not receive compensation in the form of stock in exchange for any services, and therefore does not have any unreported income for tax purposes.

ISSUE TWO

> Was Karl Snow involved in fraudulent stock transactions with Michael Strand and his companies, including Global Oil, Unique Battery, and Classic Mining? Specifically, was Karl Snow a participant in a "stock fraud manipulation scheme"?

As indicated above, Karl Snow purchased certain shares of stock in both Global Oil Company and Classic Mining Company. The shares of stock in Global were purchased through Edward Brown Securities during 1985. Stock in Classic Mining was purchased directly from Michael Strand during 1984.

During our investigation, we discovered additional shares of stock in both Global Oil Company and Classic Mining which were issued in the name of Karl Snow. Specifically, during 1985 and 1986, shares of stock in both Classic Mining and Global Oil Company were issued in the name of Karl Snow. As of the date of this report, 12,500 such shares of Global Oil Company stock and 500,000 such shares of Classic Mining Company stock are still outstanding. Snow indicated that he knew nothing of these additional shares of stock. Atlas Stock Transfer was unable to provide any documentation that Snow actually received the shares in question, nor could they provide any documentation that indicated that Snow requested the stock transferred to other individuals. To date, we have been unable to locate these shares of stock, however, we are convinced that the stock was transferred into Karl Snow's name without his knowledge.

9704383045 4

Based on the evidence presented and statements by involved individuals, Snow's name may have been used on a "nominee" account without Snow's knowledge. None of the information reviewed or interviews given indicate that Karl Snow was involved in any form of illegal stock manipulation.

ISSUE THREE

Did Karl Snow have income related to his other stock dealings with Michael Strand which were not properly reported for income tax purposes?

As indicated above, between August, 1984 and September, 1985, Snow purchased 11,000 shares of stock in Global Oil Company, for $19,545, and 360,625 shares of stock in Classic Mining, for $33,000. On November 30, 1987, Snow sold 2000 shares of Global Oil Company stock for $2,500. These shares had been purchased on September 26, 1985, for $4,136. On his 1987 income tax return, Snow properly reported the loss of $1,636 as a long term capital loss. In 1989, Snow determined that the remaining shares of stock in Global Oil Company were no longer being traded, and that the remaining shares he held were worthless. Based on these facts, Snow properly reported $15,409 as a long term capital loss in 1989, the year they became worthless. Karl Snow still holds his original shares of Classic Mining stock, and has had no taxable transactions relative to these shares.

Based on the available documentation, and on responses received in interviews with several individuals, we have no indication that Snow was involved in any taxable stock transactions other than those identified above. We have no indication of any unreported income, or any illegal or improper activities related to Snow's stock dealings. Further, we conclude that Snow lost money on his investments with Global Oil Company and he may yet lose his investment in Classic Mining stock, but in any event, he properly reported all stock transactions for income tax purposes.

9704383045

ISSUE FOUR

Was Karl Snow involved in "insider trading" related to his dealings with Michael Strand?

At the time Snow was given information concerning the proposed acquisition of Unique Battery Systems, Inc., by Global Oil Company, it is apparent that several people knew of the merger. Court documents indicate that several individuals may have actually invested in Unique in anticipation of the pending merger. Many of these individuals were apparently investing in the company several months prior to the date of the proposed plan of reorganization. Involved parties were actively soliciting funds in anticipation of the merger. For example, in an affidavit submitted to the Court, John Darger indicated that in August, 1984, he was discussing the potential investment opportunity with one Kerri Ransdell and her family. Darger specifically indicated that the investment would be made in a "public company which would acquire Unique Battery". Ransdell apparently invested in Unique Battery based on Darger's representations of the acquisition of Unique Battery by Global Oil. This and other documents indicate that knowledge of the proposed merger was effectively "public knowledge" at the time Snow purchased stock in Global Oil Company. We have no indication that Snow was in a position to have "insider" information, nor is there any evidence that he may have profited by such information. We further conclude that there is no indication of any illegal or improper conduct on the part of Snow in either his investigation of Unique Battery Systems, Inc., prior to purchasing stock, or in his purchase of stock in Global Oil Company.

9704383045 6

CONCLUSIONS

The disputes between Global Oil Company, Inc., Unique Battery Systems, Inc., and Atlas Stock Transfer Corporation are rather complex. However, based on review of all documents obtained, and through interviews with individuals on all sides of the litigation, we have concluded that Karl Snow was not a participant in, nor did he acknowledge an ownership interest in Global Oil Company, other than through the 11,000 shares of stock which he had purchased through a broker. It is also apparent that Karl Snow's name was used without his knowledge. There is no indication of any illegal or improper conduct, nor was there any failure to properly report taxable transactions by Karl Snow of which we became aware of during our investigation.

9704383045 7

Respectfully submitted:

Curtis S. Bramble
Certified Public Accountants

October 8, 1990

he small society

by Bill Yates



ax supporters not objective

or:

be groups that have asked us to vote for the
of the sales tax on food have been those who
ould be hurt if this bonanza were taken away
Hence, I suspect they are neither fully honest
e.

all part of the taxes that supposedly help the
t to the poor. Most of the revenues so collect-
salaries, overhead and graft of the bureau-
minister them. I don't know what percentage
poor on the state level, but it can't be more
ent of what is collected.

te how the sales tax on food is unfair to the
d only take an example of a family with an
ne of $15,000 and compare it with a family
ual income of $150,000. If we assume that
nilies will spend the same amount for food,
ily will pay 10 times as high a proportion of
sales taxes on food as will the rich family.

ent that higher education would suffer is
. The poor should not be required to edu-
In fact, I think we have gone too far down
inking a college education is worth what we

ible even to imagine, let alone design, a tax
create a higher burden on the poor than on
ut eliminating the sales tax on food would
attempt to make the sales tax more nearly

Glenn L. Pearson
Murray

rs, unite in revolt

lars is a lot of money. Yet in the cleanup of
total cost to the taxpayer is being estimat-
$200 billion and $500 billion. Reports on
he show delay, deception, cover-up and
both within the industry and among those
Washington.

s pay those who represent us huge sala-
choosing) and we pay the salaries of the
ts they hire. We should be able to expect
ire getting for our money.

the deceit and fraud evident, there was
of mistakes by people who should have
Our congressmen have decided that they
nations from special interest groups and
itral in serving state and nation. If these
is difficult to define what else they could

Snow gets his comeuppance

To the editor:

It was with amusement — and regret — when I watched Karl Snow on TV squirm and throw a temper tantrum at being accused of wrongdoing in his failure to disclose his true association with a penny-stock scheme.

Amusement? Because Snow is getting some of his own medicine. Let's go back to the days when we of Watchdog of Sandy Group (made up of Republicans, Democrats, Mormons and non-Mormons) successfully won a long, costly battle against Snow and his teammate, Attorney William D. Oswald of RDA infamy.

Snow, in a radio interview, called Watchdog people a radical, extreme-rightist group. Why? Because we successfully defended our homes and property against Snow and the unfair RDA, which attempted to steal our unblighted lands and homes for giving to rich developers.

Regret? Because, even though at this time I tend to lean more to Republican conservatism, I do not want Snow to ever get back into political office. He is not to be trusted for fair treatment to a majority of his constituents. He will favor his special-interest parties — and his own interests.

If Snow does not want to be judged guilty by association, he should not associate with undesirables.

Clay Robinson
Sandy

It's time for Hayward to go

To the editor:

I find it interesting that Sheriff Hayward will not debate his worthy opponent Salt Lake Capt. Arron Kennard during this election. The sheriff has stated he would have nothing to gain and everything to lose in a debate about the problems facing the chief law enforcement officer in Salt Lake County.

I believe the public deserves to know why morale is at rock bottom in the sheriff's department. I believe we deserve to know why felony convictions have been overturned due to the sheriff's interference in the investigations. We deserve to know why our sheriff does not cooperate with other law enforcement agencies in the county.

I would like to know why the sheriff spends his time flying his helicopter on traffic watch instead of being in his office being an administrator as he was elected to do. I would like to know why the sheriff has refused to rearm his deputies as other law enforcement agencies have done so they would be able to defend themselves against the firepower the drug dealers possess.

9704383045 8

680000

"Laughable, completely without basis." —Karl Snow (*Deseret News*, 8/20/90)

"Without their (Snow's and Lyman Smart's) involvement, we never would have gotten involved. Their credibility swept us along." — Herb Gleason

"I never would have trusted Strand. To see him is not to trust him. But he told me about Karl Snow, Lyman Smart, and others. When I asked Snow about the company, he told me he was a major stock holdler and a member of the board." — Percy Kalt

QUESTION 3: Did Karl Snow receive and know he received stock in Global Oil that he failed to report on his income tax return?

I don't remember signing over any stock. It puzzles me." — Karl Snow (*Deseret News*, 8/20/90)

"I don't remember giving anyone power of attorney over that stock." — Karl Snow (*Deseret News*, 8/20/90)

"I did give Mike a stock power, that is common procedure in these matters." — Karl Snow (*Deseret News*, 10/6/90)

"I've never heard of this 100,000 shares at all." — Karl Snow (*Deseret News*, 8/20/90)

"Let's make it perfectly clear that Mr. Snow was offered 100,000 shares of stock if he would become a member of the Board of Directors. . . . A stock power was issued immediately giving it back." — Karl Snow (KUTV's "Take Two", 10/14/90)

In fact, the stock was issued to Karl Snow, but he never returned it to Global Oil. Instead, he signed it over to Mike

9704383045 9

QUESTION 1: How involved was Karl Snow in a Mike Strand penny stock scheme that cost investors well over a million dollars?

"I haven't seen Mike Strand for four years and have had nothing to do with his companies." —Karl Snow (*Deseret News*, 8/20/90)

This is just not true. Investors and company officers who were there insist that Karl Snow was deeply involved with the scheme all along:

"Oh yes, it was clear Karl Snow was deeply involved from the beginning. Snow was high and mighty. We felt we were not as important. — Herb Gleason, of Lakeland, Florida, who lost $118,000 in the deal.

"When I asked Snow about the company, he told me he was a major stock holder and a member of the board, and he said it was a good investment. He mentoned that he had around 100,000 shares. I remember feeling that this was certinaly a lot of stock, compared to my 7,000 shares, and that's why I remember the numbers distinctly." — Percy Kalt

"What Strand would say, Karl would do." — John Darger, former president of Unique Battery.

"I'm sorry I had anything to do with Unique Battery, Global Oil, or Strand." — Karl Snow (*Deseret News*, 10/6/90).

QUESTION 2: Did Karl Snow allow his name to be used to entice investors into Mike Strand's stock schemes?

9704383046O

Strand, who was not an officer or an agent of the corporation. The stock eventually made its way to M&L Investments. Snow never returned the stock to Global Oil.

QUESTION 4: Could Karl Snow face legal consequences resulting from his statements about his involvement with Strand?

"Many people would idenfity what Karl did as having business transactions, others would say that he had business dealings." *(From the Bramble report prepared by Karl Snow's CPA.)*

While under oath in a federal trial, testifying in defense of Mike Strand, Karl Snow was asked "Have you ever had any business dealings with Strand?" He replied:

"Uh, no."

Perjury:"In Law, The crime of willfully uttering a false statement or testimony in reference to a matter material to the issue involved, while under an oath or affirmation to tell the truth, administered by a competent authority; the willful utterance of false evidence while on oath." — *The Oxford English Dictionary*

9704383046I

In September, he ran on "Integrity." By November, he may be running on empty.

The Questionable Karl Snow

ANALYSIS

by Eric Schnitzer

A BYU administrator and congressional candidate has had close ties to a convicted felon. His denials in the face of substantial evidence raise serious questions.

Records have come to light in recent weeks indicating that BYU Administrator and Congressional Candidate Karl Snow appears to have misrepresented his connections to convicted felon Michael Strand, Global Oil, Unique Battery, and a penny stock deal that probably cost one life and seriously disrupted the lives of others.

At present, there are more questions than answers. But the gravity of the questions combined with the lack of answers should concern every voter in the Third Congressional District.

This writer initially came across the documents as a volunteer for Snow's opponent in the primary. The allegations and the documents themselves were brought to light by various individuals who had been involved with the stock transactions outlined below.

The Players

The main figure in this confusing narrative is Michael Strand, a stock manipulator twice convicted for securities fraud and most recently released from custody only a few weeks ago. Strand's *modus operandi* is to control companies from the sidelines. Global Oil was no exception. In Global, Strand's wife, Lois, was the largest shareholder while Strand himself controlled the company. (The Strands, by the way, donated about $7,000 to Snow's 1984 campaign for governor.)

Unique Battery was a legitimate company with which our second figure, John Darger, was involved. Darger was directed to Strand by a bank officer when the company needed research capital. Strand became deeply involved with Unique, eventually attempting to merge it with his own Global Oil in 1985. Such mergers are a common stock manipulation technique. The merger fell through, and lawsuits and countersuits are still pending between the principals in the two companies.

The story is confusing, and it will probably take months for the media and the public to sort it out. However, the reader who keeps three things in mind will grasp the most significant points: (1) Mike Strand has been twice convicted of securities fraud—once before these events and once after. He was still on parole for his first conviction when these events took place. (2) Karl Snow has categorically denied any connection to Strand's businesses. (3) These events seriously disrupted the lives of many people.

Snow has emphatically denied involvement with Strand's companies, ever being an officer or a director in Global Oil, or even owning stock. Only recently has he admitted to owning a small amount of stock, but it seems even these admissions are inadequate.

In the August 20 *Deseret News*, Snow makes one of several emphatic denials: "I never attended any board meeting of Global Oil. I never accepted any stock in that company, although it was offered. I haven't seen Michael Strand in four years and have had nothing to do with his companies." A more complex picture has begun to emerge, however.

Deep and Broad Connections

• Darger's sworn affadavit in court files indicates that he was president of Unique Battery when he was introduced to Michael Strand as a man who could supply research capital. Darger has since said that Strand, in turn, introduced him to Snow. Strand described Snow to him as a person of "influence" who could get things done. Darger says that it was at Strand's urging that Snow was made a director of Unique and later of Global Oil.

• Stock reports and interrogatories indicate that only a few people received free stock in Unique Battery. At least two, a banker and a legislator, may have received stock for lending credibility, or, as an Atlas interrogatory puts it, "for separate and additional consideration other than the reorganization of Unique Battery." The banker, Lyman Smart, apparently committed suicide several months after the merger fell through. The legislator was Karl Snow.

• There is good reason to believe that Snow was instrumental in securing Strand's parole from prison after his first conviction. Keep in mind that Strand was still on parole for a fraud conviction when these events took place.

• Darger said he has been present many times with Strand and Snow together in meetings. Snow, Darger says, generally treated Strand deferentially during these meetings.

• Atlas Stock Transfer reports show Snow holding stock in '85, '86, and '87. One report shows six different stock transactions involving Snow over an eighteen month period. The reports show additional stock issued to Snow's mother, Wanda, and to his late father, Sidney. Snow initially denied owning any stock, but he since admitted to buying about 11,000 shares. The Atlas report shows Snow with 117,500 shares in his name and and an additional 5,666 for his mother and his son. Snow suggests that the stock was held without his knowledge. This is conceivable but highly unlikely, especially since the SEC requires frequent reporting of stock transactions *and each report lists Snow's current Provo address.*

• As late as 1986—after Strand's second securities fraud conviction—records show that Snow's 100,000 shares of Global Oil stock were transferred to M & L Investments, another Strand company. M & L likely stands for Michael and Lois, as in Michael and Lois Strand.

Obfuscations and Deflections

• Snow claims that he was never an officer, a director, or a shareholder in these companies. However, court documents and company minutes list him as a vice president, a director, and a shareholder in Global Oil and/or Unique Battery. Snow says, accurately, that he was never registered as a director or an officer with the state. But in fact, the corporation was suspended for failing to register its officers over a lengthy period—precisely the period during which Snow apparently was an officer. The corporation filed with the state in January of 1985, and Snow was elected an officer on February 25 of that year. Finally, in mid-1986, the corporation was suspended for failure to file a report. The fact that Snow is not listed with the state in itself raises questions of impropriety. In any case, he could still have functioned as an officer during that period.

• Snow says that he has never manipulated penny stock and wouldn't even know how to do it. But that is beside the point. At the moment, the question concerns his close association with Strand and the possibility that Snow may have lent his credibility to the arrangements.

• Snow pointed out to us that some of the documents spell his name with a "C" rather than a "K." In fact, the Secretary-Treasurer, Ronald Sorth, did spell Snow's name with a "C" when he (Sorth) resigned from the company. In his resignation letter, Sorth notes that he sent a copy to "Carl Snow, V.P." Sorth was likely responsible for the company's minutes, and the misspelling in his letter would thus be consistent. However, Snow's name is spelled correctly in the stock reports and numerous other documents.

• Snow claims that his signature has been forged on these documents. Of the two signed documents in this writer's possession, one is probably not in Snow's hand, while the other almost certainly is. The "forged" signature may have been signed with Snow's approval, however, since his signature was not needed and there was no motive to forge it. Snow's actual signature appears on an agreement for the planned merger of Unique and Global.

• Snow points out that he was not named in a suit involving Global and Unique. But also missing from the list was Lois Strand, the largest shareholder. Obviously, being excluded from that list says nothing about the extent of a person's involvement with Strand.

• When asked about the documents showing Snow's involvement, Strand has claimed that Darger frequently forged prominent names. But this answer is untenable given that one of the documents, showing Karl Snow sandwiched between the now deceased Lyman Smart and Lois Strand, was an interrogatory prepared by Strand and his secretary—not by John Darger.

• Snow has carefully spoken in terms of physical presence: "I have not seen Strand for over four years." "I did not attend board meetings," etc. Darger confirms that, indeed, Snow was sometimes not present at the meetings. But Darger says Strand usually had Snow on the telephone during such occasions, relating the proceedings to him as the meeting progressed.

Observations

1) *It's difficult to avoid concluding that Karl Snow has misrepresented the facts.* The only other explanation would be that he is exceedingly inept, but even this requires more faith and charity than the situation allows. Even if he had done nothing *illegal*, such apparent misrepresentations on the part of a public figure would be cause for concern.

2) *The array of documents is impressive.* When we asked Snow about the documents, he said that they were "fraudulent." But most of them are in court files, and they stem from a variety of sources: interrogatories prepared by Strand, resignations of officers, sworn affadavits, stock transfer reports, etc.. It is highly unlikely that they are phony. Mark Hoffman himself would have had a hard time fabricating this one.

3) *In light of the documentary evidence, Strand's and Snow's denials are simply not credible.* On the other hand, Darger's statements are plausible and consistent with the evidence already in court files.

4) *Public figures rarely risk such misstatements unless the stakes are high.* If Snow does not promptly offer explanations, people may suspect that he is hiding something for a reason.

5) *It is in everyone's interest to investigate this matter thoroughly.* Utah is already known as the fraud capitol of America. Given that reputation, any degree of involvement in such matters on the part of public figures cannot be taken lightly.

6) *Utah's media are either lazy or understaffed.* Many newspapers and television stations have had these very documents for months. Yet most have failed to make the most elementary deductions.

7) *Only the full truth will do.* The Strand connection is not a petty matter because Michael Strand is not a petty thief. Aware that articles including this one were in the works, Snow finally asked a CPA and a lawyer to look into the matter last week. These investigators should take care lest they find themselves defending the indefensible.

8) *Karl Snow is asking the voters to trust him.* He may be asking too much. Δ

000093

Mike Strand lacked credibility. Karl Snow had it. Strand borrowed it—and investors got burned.

Snow & The Penny Stock Tag Team

COMMENTARY

By Eric Scholzke

BYU MUSIC PROFESSOR PERCY KALT called Karl Snow in March, 1985 because Snow was a pillar of the community. If Snow said Mike Strand was OK, then Kalt would buy Strand's stock. Snow praised the stock, and Kalt invested—eventually loosing everything. This surprised Kalt, but it didn't surprise those who really knew Strand. You see, at the time that Snow encouraged Kalt to invest, Strand had only recently been released from prison and was still on probation for a felony. You guessed it— stock fraud.

It's situations like this that earn Utah the title of "America's Fraud Capitol." Operators use Bishops, Stake Presidents and other community leaders to lend credibility to reckless speculation and stock manipulation. And the trusting Mormon with an ingrained "Mormon Authority Reflex" is a sitting duck.

Mike Strand is a master of such deals. One law enforcement source calls Strand "the most despicable man I have ever met. You've heard that there is honor among thieves, but that does not apply to Mike Strand."

Last week we revealed evidence of BYU Administrator and Congressional Candidate Karl Snow's business relationship with Mike Strand. It was noted that this writer initially came across the documents as a volunteer for Snow's opponent in the primary. Snow, we said, discounts the documents as forgeries. But we pointed out that the documents stem from various sources and are almost certainly genuine. Now Snow faces statements from others who witnessed his involvement.

On Monday Snow Spokesman Clark Caras told us that Snow had never denied having any connections with Strand. But in fact, he has come very close. In the August 20 Deseret News, Snow said: "I never attended any board meeting of Global Oil. I never accepted any stock in that company, although it was offered. I haven't seen Michael Strand in four years *and have had nothing to do with his companies* (emphasis added)." Snow has made similar denials on many occasions.

Witnesses, along with the documentary evidence (*SR*, Oct. 3 1990), have now made Snow's denials untenable. And the fact that Snow has been less than honest is *in itself* now the issue that must concern the public.

John Darger

Strand Pulls Strings — John Darger of Riverton, Utah says he attended many meetings with Snow and Strand. Strand's interactions with Snow were frequent, Darger says. One scene in particular is vivid in his memory—both because it was so striking and because it occurred more than once. Strand would insist that Snow do something, and Snow would decline. "You are f—ing going!" to do it, Strand would bellow, pounding his fist on the table. Invariably, Snow would give in. "What Strand would say, Karl would do," Darger says.

Darger says, "when Strand first got involved, he told us that he had political connections who had pulled strings to get him out [of prison]." Strand also told Darger they needed someone with "influence" who could get things done. Darger says Strand told him, "I want Karl Snow to be involved.' So he invited Snow down one day, and that was the first time I met him."

Darger sat in on various phone conversations between Strand and Snow. Some of these concerned stock prices. Darger says he remembers clearly that one "concerned the price of stock, that the stock needed some support in the market. I remember Strand telling him he was sure he'd make money."

Herbert Gleason

An Illusion of Legitimacy—"Oh yes," says Herb Gleason an investor who now lives in Lakeland, Florida. "It was clear Karl Snow was deeply involved from the beginning. We met Snow, Lyman Smart, and others—we met them all." (Lyman Smart, a bank officer, died under mysterious circumstances months after these events took place.)

In the Spring of 1985, Gleason attended several of Strand's meetings in which Karl Snow participated. Gleason says Snow frequently went in and out of an adjacent office to make phone calls. "Snow's name wasn't on the door, but we knew that it was his space. Snow was high and mighty. We felt we were not as important," says Gleason.

Gleason invested heavily, ultimately losing around $118,000. He also got friends including Percy Kalt to invest. The credibility borrowed from Snow and Smart was critical for all the investors, Gleason says:

"Without their involvement, we never would have gotten involved. Their credibility swept us along."

Strand knew he lacked credibility, Gleason says. "Strand was a blasphemer, and he didn't have credibility. But he would tell us that he had all these prominent guys 'in his pocket.' They were there to establish his credibility."

Strand's antics at the meetings he and Snow both attended are nearly comic: "He [Strand] put people down. They would all defer to him. He would march around the room, scribbling figures on the board, swearing, gesticulating." Strand would sometimes even stand on his chair to emphasize a point.

> ***"Strand was a blasphemer, and he didn't have credibility. But he would tell us that he had all these prominent guys in his pocket."***
>
> ***— Herb Gleason***

Percy Kalt

The Perfect Target—"I never would have trusted Strand," says Percy Kalt of Provo. "To see him is not to trust him. But he told me about Karl Snow, Lyman Smart, and others." Kalt went to Snow for advice: "When I asked Snow about the company, he told me he was a major stock holder and a member of the board, and he said it was a good investment."

Kalt is a musician, a novice in the world of stocks, and the perfect target for this kind of scam. Kalt was initially contacted about this investment by Herb Gleason. At the time, Kalt had children on LDS missions and was struggling financially, so he considered the investment seriously—even though he would have to borrow the money.

Kalt recalls, "I went to the Boston Building in Salt Lake to visit Mike Strand, who told me that if I paid $25,000 for 7,000 shares, I could sell them in less that thirty days for three times their present value." Strand told Kalt that if he had any questions to talk to Karl Snow."

Snow Says Go — "I told Mr. Snow that I had been referred to him by Mike Strand on an investment proposal, and I understood that he could shed some more light on this. Snow said that, yes, he was a major stock holder. I told Mr. Snow that I would have to borrow the money, that this came at a difficult time when I had kids on missions and in college, and I didn't want to do anything that would put my meager finances in jeopardy. He assured me that this was a good thing. He also told me that he was a member of the board.

> ***"'I have seven Jaguars,' Strand said as he lit a new cigarette from an old one, 'your $25,000 means nothing to me.'" — Percy Kalt***

"I also asked Mr. Snow about what Mr. Strand had said about his release from prison—that it had been facilitated by Snow and that Snow felt that the IRS had put him in there unjustly. Snow confirmed this and said that Strand's conviction was a 'travesty.'" Snow told Kalt that Strand's conviction was an IRS problem, but Strand had actually been convicted for securities fraud and was still on probation.

"I came away with the definite feeling that I should do it, since he said he was a major stock holder. He said he had bought some stock and that he had received some for services he had performed. He mentioned a figure of around 100,000 shares. I remember feeling that this was certainly a lot of stock, compared to my 7,000 shares, and that's why I remember the numbers distinctly." Based on Snow's assurances, Kalt invested. Mrs. Kalt also recalls her strong objections to the plan, noting that her husband repeatedly tried to reassure her by referring to those—including Snow—who were involved.

Anatomy of a Scam — Kalt wrote out a check on April 26, 1985. After an initial gain, Kalt's stock began a steady decline. All the while, Strand assured Kalt that it would turn around. Finally, when his stock was next to worthless, Kalt approached Strand again. This time, Strand offered to transfer his stock to another company, Atlantic Mining Inc.. Kalt agreed, and then watched this stock collapse. Meanwhile, the stock he had just traded to Strand mysteriously began to rise. (This should give the novice a sense for how a stock fraud scheme works.)

Now when Kalt talked with Strand he was treated disdainfully. "'I have seven Jaguars,' Strand said as he lit a new cigarette from an old one, 'your $25,000 means nothing to me.'" This was the man with whom Kalt invested based on Snow's character reference.

Kalt now asked Snow for an explanation, but Snow immediately distanced himself from the affair. "Don't get me involved with this. I have nothing to do with it," Snow said. Kalt's investment was a total loss: $23,000 plus interest on the loan.

Financially ruined, at his wits end, and stifled in his attempts to seek justice, Kalt took matters into his own hands. He attempted to bomb Strand's house. The events which followed can, in light of the above, be viewed with a significant degree of sympathy. Kalt, who had been a respected professor at BYU, now found himself in legal difficulty, out of work, and struggling to put food on the table. Today, he lives in the basement of his own home, the main part of which he rents out to help cover his debts.

Your Old Friend Karl — In August of this year, Kalt returned from vacation and found a message from one of Snow's aides on his answering machine. "We know you've been leaking information about Snow's relationship with Strand to the media," the voice said, "and we wondered why you would do such a thing." Kalt called Snow to tell him that he had been on vacation and knew nothing. "I'm glad to hear that," Snow replied.

This was not the only attempt to intimidate Kalt. On September 27, after reading a draft this writer's first article, Karl Snow again called his old friend Percy Kalt. Kalt describes the call: "This call lasted over an hour. He tried to justify himself to me, and tried to plant thoughts in my mind as to what I should remember about the affair." Snow said he had not told Kalt of having 100,000 shares of Global stock, but that it was actually 100,000 shares of another Strand outfit).

Kalt says Snow "also denied having been an officer in the company and denied having helped Mike Strand out of prison. Twenty minutes later, we broached the subject again, and I said, 'Mike Strand gave me your name and said that you had helped him get out of prison when the IRS had put him there.' Snow said 'Yes, that's true.'" Charitably, Kalt did not point out the contradiction.

Kalt says Snow then said that he "would like me to sign an affidavit that he had not influenced me to invest and that he had not said that he was involved. He said that he would have someone contact me."

Conclusions

1) The statements of Darger, Kalt, and Gleason are plausible and consistent with each other and with evidence in court files.

2) When we asked Clark Caras about Kalt, Darger, and Gleason, he answered, "Snow has done nothing legally, morally, or ethically wrong." The last two are certainly debatable, while the first is beside the point.

3) Whether Snow was "used" is not important. What if he was "used"? This is precisely the point. If he succumbs to Strand, how will he handle the ethical complexity of Washington? If he was a pawn, then he is easily manipulated and is a poor judge of character.

4) Caras asked us why no one has pointed these things out before. Here's why: To speak of a man's wrongdoings is normally gossip. But someday the priest may ask "does anyone knows a reason why this couple should not be wedded," adding, "speak now or forever hold your peace." At that moment, what was gossip becomes a civic duty. It is for precisely such a reason that no one brought this information out before—and why they do so now.

5) An attorney and a CPA are looking into the records. Hope for the best, but expect the worst. Expect a whitewash. Expect them to answer questions that weren't asked. Questions like: Is there evidence of any specific illegality? Just remember Percy Kalt.

6) Perhaps Snow's arrogance to date rests on well-founded confidence that the public and press will continue to handle him with the kid gloves. If he gets away with it, it will be a sad reflection on Utah.△

9 7 0 4 3 8 3 0 4 0 4 3

000094

Four Questions Karl Snow Won't Answer:

9704383004 64

QUESTION 1: How involved was Karl Snow in a Mike Strand penny stock scheme that cost investors well over a million dollars?

"I haven't seen Mike Strand for four years and have had nothing to do with his companies." —Karl Snow (*Deseret News*, 8/20/90)

But investors and others who were there insist he was intimately involved:

"Oh yes, it was clear Karl Snow was deeply involved from the beginning. . . . Snow was high and mighty. We felt we were not as important." —Herb Gleason, of Lakeland, Florida, who lost $118,000 in the deal.

"He (Snow) mentioned that he had around 100,000 shares. I remember feeling that this was certainly a lot of stock, compared to my 7,000 shares, and that's why I remember the numbers distinctly." —Percy Kalt of Provo, who lost over $25,000.

"What Strand would say, Karl would do." — John Darger, former president of Unique Battery.

"I'm sorry I had anything to do with Unique Battery, Global Oil, or Strand." —Karl Snow (*Deseret News*, 10/6/90).

QUESTION 2: Did Karl Snow allow his name to be used to entice investors into a Mike Strand penny stock scheme?

"Laughable, completely without basis." —Karl Snow (*Deseret News*, 8/20/90)

Again, the investors say Snow is not telling the truth:

"Without their (Snow's and Lyman Smart's) involvement, we never would have gotten involved. Their credibility swept us along." —Herb Gleason

"I never would have trusted Strand. To see him is not to trust him. But he told me about Karl Snow, Lyman Smart, and others. . . . When I asked Snow about the company, he told me he was a major stock holder and a member of the board, and he said it was a good investment." —Percy Kalt

QUESTION 3: Did Karl Snow receive and know he received stock in Unique Battery and/or Global Oil and fail to report it on his income tax return?

"I don't remember signing over any stock. It puzzles me." —Karl Snow (*Deseret News*, 8/20/90)

"I don't remember giving anyone power of attorney over that stock." —Karl Snow (*Deseret News*, 8/20/90)

"I did give Mike a stock power, that is a common procedure in these matters." —Karl Snow (*Deseret News*, 10/6/90)

"I've never heard of this 100,000 shares at all." —Karl Snow (*Deseret News*, 8/20/90)

"Let's make it perfectly clear that Mr. Snow (sic) was offered 100,000 shares of stock if he (sic) would become a member of the Board of Directors. . . . A stock power was issued immediately giving it back." —Karl Snow (KUTV's "Take Two", 10/14/90) (Snow talks of himself in the third person.)

Indeed, the stock was issued to Snow. But he never gave it back. He transferred it to Mike Strand, who was not an officer or an agent of Global. He never returned the stock to Global Oil. **(See page 3.)**

QUESTION 4: Could Karl Snow face legal consequences resulting from his statements about his involvement with Strand?

"Many people would idenfity what Karl did as having business transactions, others would say that he had business dealings." *(From the Bramble report prepared by Snow's CPA.)*

While under oath in a federal trial, testifying in defense of Mike Strand, Snow was asked if he ever had any business dealings with Strand. His answer:

"Uh, no."

The Oxford English Dictionary definition of perjury:
"The crime of willfully uttering a false statement or testimony in reference to a matter material to the issue involved, while under an oath or affirmation to tell the truth, administered by a competent authority; the willful utterance of false evidence while on oath."

Inside—

Herb Gleason, John Darger, and Percy Kalt tell about Snow's deep involvement with Global Oil and Unique Battery—Page 4.

A tour of the documents. Snow initially challenged these documents, but they are now understood to be genuine.—Page 2

An analysis of one document Snow admits to signing raises questions of tax improprieties.—Page 3

000095

Four Questions Karl Snow Won't Answer:

QUESTION 1: How involved was Karl Snow in a Mike Strand penny stock scheme that cost investors well over a million dollars?

"I haven't seen Mike Strand for four years and have had nothing to do with his companies." —Karl Snow (*Deseret News*, 8/20/90)

But investors and others who were there insist he was intimately involved:

"Oh yes, it was clear Karl Snow was deeply involved from the beginning. . . . Snow was high and mighty. We felt we were not as important." —Herb Gleason, of Lakeland, Florida, who lost $118,000 in the deal.

"He (Snow) mentioned that he had around 100,000 shares. I remember feeling that this was certainly a lot of stock, compared to my 7,000 shares, and that's why I remember the numbers distinctly." —Percy Kalt of Provo, who lost over $25,000.

"What Strand would say, Karl would do." — John Darger, former president of Unique Battery.

"I'm sorry I had anything to do with Unique Battery, Global Oil, or Strand." —Karl Snow (*Deseret News*, 10/6/90).

QUESTION 2: Did Karl Snow allow his name to be used to entice investors into a Mike Strand penny stock scheme?

"Laughable, completely without basis." —Karl Snow (*Deseret News*, 8/20/90)

Again, the investors say Snow is not telling the truth:

"Without their (Snow's and Lyman Smart's) involvement, we never would have gotten involved. Their credibility swept us along." —Herb Gleason

"I never would have trusted Strand. To see him is not to trust him. But he told me about Karl Snow, Lyman Smart, and others. . . . When I asked Snow about the company, he told me he was a major stock holder and a member of the board, and he said it was a good investment." —Percy Kalt

QUESTION 3: Did Karl Snow receive and know he received stock in Unique Battery and/or Global Oil and fail to report it on his income tax return?

"I don't remember signing over any stock. It puzzles me." —Karl Snow (*Deseret News*, 8/20/90)

"I don't remember giving anyone power of attorney over that stock." —Karl Snow (*Deseret News*, 8/20/90)

"I did give Mike a stock power, that is a common procedure in these matters." —Karl Snow (*Deseret News*, 10/6/90)

"I've never heard of this 100,000 shares at all." —Karl Snow (*Deseret News*, 8/20/90)

"Let's make it perfectly clear that Mr. Snow was offered 100,000 shares of stock if he would become a member of the Board of Directors. . . . A stock power was issued immediately giving it back." —Karl Snow (KUTV's "Take Two", 10/14/90) *(Snow speaks of himself in the third person.)*

Indeed, the stock was issued to Snow. But he never gave it back. It remained under his name for almost three years, and was then transferred it to M&L Investments, i.e. Michael Strand. Strand was not an officer or an agent of Global. Snow never returned the stock to Global Oil.
(See page 3.)

QUESTION 4: Could Karl Snow face legal consequences resulting from his statements about his involvement with Strand?

"Many people would idenfity what Karl did as having business transactions, others would say that he had business dealings." *(From the CPA's report paid for by Snow.)*

While under oath in a federal trial, testifying in defense of Mike Strand, Snow was asked if he ever had any business dealings with Strand. His answer:

"Uh, no."

The Oxford English Dictionary on perjury:
"The crime of willfully uttering a false statement or testimony in reference to a matter material to the issue involved, while under an oath or affirmation to tell the truth, administered by a competent authority; the willful utterance of false evidence while on oath."

Inside—

Herb Gleason, John Darger, and Percy Kalt tell about Snow's deep involvement with Global Oil and Unique Battery—Page 4.

"Let me make this perfectly clear": Deciphering Karl Snow—Page 3

An analysis of a document Snow signed raises questions of tax fraud.—Page 2

9704383046 5

NOTE:

Contained here is a copy in its entirety of the "dirt packet" that was delivered to the Karl Snow campaign from John Harmer. This is the packet of information Harmer challenged Karl to make public.

Also contained here are two press releases giving an explanation of the charges made in the packet.

9704383046

Karl Snow for Congress

August 22, 1990

News Release...

Snow Turns Over Harmer "Dirt Packet" to Lawyers and Media
(For immediate release...)

A packet of information delivered to the Karl Snow for Congress campaign from John Harmer's campaign that purports to detail questionable financial information about Snow has been turned over to the four Provo lawyers who last week announced they will do an independent audit of Harmer's finances. This same information was also today released to the Utah media.

"I have nothing to hide in my background," Snow said. "Even before Mr. Harmer issued his challenge for me to make public my finances I had turned most of the information over to the media. I have filed all required campaign financial information from the federal to state level and the only one who seems to be calling anything into question about me is Mr. Harmer and his anonymous sources."

Snow said he was disappointed to find that his opponent's campaign had actually retained the services of a private investigator to look into Snow and his staff's backgrounds (See Salt Lake Tribune article of August 21, 1990, page B1).

"It is regrettable that a candidate would seek the services of a private investigator to look into my background as well as that of the volunteers and staff who are helping me in my bid for election to Congress," Snow said. "I have been accused of manipulating a negative campaign against Mr. Harmer. Such charges are ridiculous coming from a man who has hired a private investigator to help him in his campaign strategy. Obviously Mr. Harmer's campaign has spent too much time watching reruns of Magnum P.I."

Snow said he believes it is only fair that the information contained in the "dirt packet" be turned over to the same attorneys who will be looking independently into Harmer's financial past.

"I'm not really sure how much more of this needs to be looked into," Snow said. "As I have stated, the FEC and state of Utah have not called into question any of my financial dealings from the past. Richard Snelgrove himself has declared there was nothing surprising, illegal, or shocking to be found in my financial background. As I have said, the only one who seems to have a fascination with my financial background is Mr. Harmer and his campaign staff – and of course, the private investigator."

Snow press secretary Clark H. Caras said he would remind people that Karl Snow was the first of the candidates to call a press conference to speak about the issues.

"The only press conference this campaign has called is the one in which Karl announced his platform and the issues he would address in this campaign (the press conference concerning Chuck Warren was called at his request for a personal matter)," Caras said. "Since that time John Harmer has called four press conferences where he does nothing more than level accusations against Karl and our campaign. We will continue to travel the district and speak about the issues and leave the shouting and name calling to Mr. Harmer."

-30-

For more information call, 373-5300.

Paid for by the Snow for Congress Committee

Additional comments from Karl Snow:

[redacted] of the state Department of Registry."

"I did not acquire, nor accept the stocks in question or become a member of the board."

9704383046 9

Karl Snow For Congress

August 20, 1990

News Release...

Snow Explains Financial Items Contained In Packet Delivered From Opponent
States He Will Turn Documents Over To Provo Lawyers For Audit
(For immediate release...)

Late Friday a packet of information was delivered to the Provo headquarters of the Karl Snow for Congress campaign, five days after John Harmer had promised delivery of this information, purporting to detail several questionable actions in Karl Snow's financial and business past.

While candidate Snow said he finds the information delivered, which is outlined to Harmer by an anonymous source, irrelevant and without merit, he said all of it will be turned over today (Monday, August 20) to the four Provo attorneys who announced last week they will do an independent audit of Harmer's finances.

"It is only fair that they review any charges made against me by Mr. Harmer and his supporters," Snow said. "I have nothing to hide. And there is especially nothing contained in this "dirt packet" that gives evidence of any financial impropriety on my part."

In the packet delivered by Harmer late Friday it would suggest that Snow is guilty of some type of stock impropriety by having accepted past political contributions (during his bid for governor six years ago) from a Michael Strand, a Salt Lake City man who was an over-the-counter stock marketer, and who several years ago was convicted of a federal income tax violation. Snow readily admits knowing Strand and several of the members of his wife's family.

Yet, as the anonymous source of Harmer's "dirt packet" tries to imply, Snow has never been an officer, or otherwise associated with a company named "Unique Battery" – the company named in the anonymous letter received by Harmer.

9704383047 0

Snow was, at one time, invited to become a director of Global Oil Company, (named by the anonymous letter), a company that considered acquiring "Unique Battery." In all of this there is no evidence of impropriety. Further, Snow did not accept the invitation to serve on the Board, nor did he acquire the stock mentioned in the anonymous letter.

"To link Karl Snow with any alleged wrong doing on the part of Mr. Strand is nothing short of contemptible, and an act of desperation," said Clark H. Caras, Snow's press secretary. "Certainly, Mr. Harmer's several past business associations with Mac Haddow do not make him guilty of any federal conflict of interest laws."

The second item in the "dirt packet" are notes from a federal law suit filed against a partnership Snow had, at one time, been involved with. Not being a partner at the time of the disagreement, Snow was "indemnified," in writing, or in other words held not liable. Unfortunately, the other parties involved latter declared bankruptcy leaving Snow to pick up the obligation.

Acting in a timely and prudent manner to protect his credit, Snow purchased the debt and sought to have the "indemnification" recognized by the bankruptcy court as a valid obligation. He was vindicated and was awarded a "non dischargeable judgment" by the federal bankruptcy court. In other words, he was held "not liable."

"Those providing Mr. Harmer with his research have done a shoddy job of it," Snow said. "The indemnity agreement and the bankruptcy judgment won by myself are matters of public record and recorded in Utah County. A story on this incident was carried by the Provo Daily Herald more than six weeks ago. It is nothing I have ever tried to hide."

(See attached indemnity agreement and bankruptcy order validating indemnity.)

Another issue raised in the "dirt packet" had to do with Snow's governor appointed position as President and Trustee of the Utah Technology Finance Corporation. A member of Harmer's campaign staff on Thursday requested, and was

Mother

.9704383047 1

given, the most recent audit of the UTFC. This audit will show no wrongdoing on Snow's part in this voluntary position in which he serves. Under law those sitting on the board of UTFC could receive payment for that serve, yet they have chosen not to do so. However, when a member of the UTFC board is called upon to leave the state on business with UTFC or do consulting work a stipend is paid.

"Even though the packet was delivered to us five days after it was promised we appreciate the fact it did come to us," Caras said. "It gives us the chance to show that there is not one shred of evidence in any of the material that Karl Snow has committed any financial impropriety. Karl has filed all required materials with the FEC and state and none of it has ever been called into question. This attempt to compare Karl's financial past with John Harmer's has been a poor attempt at best on someone's part."

For Snow's part, he responded to the information in the packet by saying, "There is nothing in the anonymous "dirt packet" that shows I have committed any financial impropriety. I have no debts, other than the mortgages on my two Provo homes. I have no due taxes, or liens or judgments against any of my properties. And a recent credit report show that I have always been prompt and timely in meeting my financial obligations.

"I am trying to discuss the issues in this campaign. I will not become involved in discussing Mr. Harmer's finances, and will not respond to further anonymous accusations. Enough is enough, is enough."

-30-

For more information call 373-5300.

Paid for by the Karl Snow for Congress Committee

9/04/83047/2

July 20, 1990

Mr. John Harmer
Elect Harmer to Congress Campaign

Dear [redacted].

I have watched how the press has been abusing you with negative stories about your bankruptcy and other financial dealings. I have also read the court case about your bankruptcy and I cannot believe how they can distort the facts to make you look dishonest. I am very unhappy that your Republican opponents have been mailing these things around anonymously.

I am so sickened by all of this, that I have decided to turn over this information to you. MR. SNOW IS NOT SNOW WHITE! You should visit the Utah State Securities Division and look at all of the transactions involving a Mr. Mike Strand. Mr. Strand is one of the most notorious stock fraud manipulators in Utah history. His scheme was to create a shell company and issue penny stock to himself, family, friends and associate nominees. Then the shell corporation would acquire and/or merge with a target company which had some technological product with some arguable value. Once merged, the penny stock corporation would attract investors and/or just run up the value of the stock. The way the value of the stock was artificially inflated was through insider stockholders selling their stock back and forth among themselves. Once the greensheets showed the stock increasing by several times its original cost, Strand and associates would bring in additional investors and/or sell their stock on the market. Strand and friends would walk away with millions and the innocent investors would be left holding the worthless company. Mr. Strand has been convicted of securities fraud for these transactions.

What I am certain you will find of interest is that Karl Snow was a long time friend, business colleague and participant in Strand's gimmicks. Strand was frequently invited to all of the big Republican blow-outs by Karl Snow. (You might want to check Snow's political campaign contributions when he was in the Utah Senate and running for Governor.) Snow was also involved in Strand's stock fraud schemes.

I have enclosed for your information a copy of a public record (you can obtain a copy from the Utah Secretary of State - that is where I got it). The documents are: List of Stockholders of Unique Battery System, Inc.; Minutes of a Special Meeting of the Stockholders of Global Oil Company; and, Plan and Agreement of Reorganization of Global Oil Company. Global Oil is Strand's shell corporation. Unique Battery is the target company which had a technological invention. Strand and his associates approached the owner of Unique Battery which had a new battery invention. They convinced him that a fortune could be made by merging with Global Oil and taking the company public on the

9704383047/3

penny stock market. Strand's wife and cohorts received stock in Unique Battery, sold the Unique shares to Global, sold Global shares back and forth among them, built up the value of Global and then dumped it on the market. Notarthat one of Strand's co-conspirators was Karl Snow (found in the middle and bottom (100,000 shares). Snow was brought into this deal by Strand. (10) (was also a director of Global Oil (minutes of meeting January 25, 1985). If you have any question that this is the same Karl N. Snow, compare the signatures on page 11 of the "Plan and Agreement of Reorganization" with Snow's signature on his campaign brochure. You will also want to look at the court record of the current legal action underway in court in Salt Lake City involving Global Oil, Unique Battery and Karl Snow and others.

It would be to your advantage to also look at the other corporations Strand was involved in - this is not the only deal Snow was involved in. I also suggest you look at Snow's corporation (Utah Technology Finance Corporation) and compare dealings with the corporations Strand was involved in.

Either Snow is incredibly stupid and didn't know what he was involved in. Or, he knew exactly what he was doing and he is a bigger crook than he is trying to make you out to be. In either event, is this the kind of man we want to represent us in Congress?

If you don't want to use this information, I am certain that the press would like to know about it.

From a concerned citizen.

PS. I would sign my name, but I have seen what publicity can do to innocent people. I admire you for having the courage to stand up and submit yourself to such public scrutiny.

9704383047/4

REPORT

Introduction

A letter, with accompanying documentation, [illegible] for Congress headquarters from an anonymous sender. The letter alleges questionable involvement by Utah Third Congressional District candidate Karl N. Snow, Jr. with Michael W. Strand. the letter alleges that Mr. Strand is a "notorious" stock manipulator.

This report provides the results of an inquiry into several of the allegations contained in this letter.

Allegations

The material received at the Harmer headquarters contains allegations of improprieties related to Mr. Karl N. Snow, Jr. Three of those allegations are as follows:

1. Michael Strand is a well-known securities promoter and "stock manipulator" who has been convicted of securities fraud.

2. Questionable activities involving Mr. Strand occurred in connection with Mr. Snow's candidacy for Governor several years ago.

3. Mr. Snow was a "co-conspirator" with Mr. Strand in a scheme involving a merger between Global Oil Company, a corporation controlled by Mr. Strand, and Unique Battery Systems, Inc.

Public record sources were checked to attempt to verify the accuracy of these allegations.

Summary of Findings

Allegation No. 1: Michael W. Strand, a resident of Bountiful, Utah, has been convicted on multiple criminal charges, several of which are related to securities activities.

Mr. Strand has engaged in questionable securities-related activities since at least 1978 when he was convicted on charges of securities fraud in a matter involving the stock of Epic Corporation. Mr. Strand served time in a federal correctional institution on these charges, completing his parole commitment in 1986.

On September 23, 1985, the Atlanta Regional Office of the U.S. Securities and Exchange Commission filed an enforcement proceeding

9/U43830475

(Civil No. 3-85-1133) against Mr. Strand in Federal District Court for the Middle District of Tennessee. This proceeding was based on Mr. Strand's alleged involvement in fraudulent activities related to securities of Classic Mining Corporation, a Utah company. On May 28, 1987, Mr. Strand and other defendants were convicted of Conspiracy to Commit Mail Fraud and Securities Fraud. ??

On January 21, 1987, an indictment (Case No. CR86-0063-J) was filed by a Wyoming Federal Grand Jury in the United States District Court for the District of Wyoming against Mr. Strand and others charging fraudulent stock transactions related to Classic Mining Corporation. In connection with this indictment, Mr. Strand was convicted in May, 1987, of three counts of abetting in mail fraud and one count of conspiracy to commit mail fraud.

According to documents on file in U.S. District Court for Utah, Mr. Strand was convicted in April, 1990, (Case No. 89-CR-1226) on a charge of possession of a firearm by a convicted felon. These documents indicate Mr. Strand received a four-month sentence of incarceration in a federal correctional facility, and probation.

Mr. Strand has also been named in numerous civil lawsuits alleging fraudulent activity. In one active lawsuit (Case No. 89C-1445) filed by Arena Land Investment, et al (plaintiffs) against Michael W. Strand, et al (defendants), the Plaintiffs' complaint contains significant allegations of wrongdoing on the part of Mr. Strand. The complaint also alleges a significant history of criminal wrongdoing and other questionable activities by Mr. Strand.

Allegation No. 2: Questionable activities involving Mr. Strand occurred in connection with Mr. Snow's candidacy for Governor several years ago.

Finding No. 2: Michael Strand, his wife, a company with which he served as a principal, and a Strand family business were all involved as contributors to Mr. Snow's Utah campaign for governor in 1984. The nature of the .n-kind contributions (pony rides, picnics, the political convention, etc...) suggest the possibility that the Strands' involvement in Mr. Snow's campaign may have been quite substantial.

Documents on file with the Utah Office of Lieutenant Governor show that, in 1984, the Karl N. Snow for Governor Committee received donations from Michael "Mike" Strand, from his wife, Lois Strand, from Mingo Oil Co., a Utah corporation in which Mr. and Mrs. Strand served as principals, and from Pony Haven, a Strand family business. These records also show that the Snow committee made expenditures for purposes related to Michael "Mike" Strand, his wife, Lois Strand, Mingo Oil Co., and Pony Haven.

These entries reflect that these donations and expenditures were made n connection with the political convention and with one or more picnics apparently held in connection with Mr. Snow's

9704385047

candidacy.

Entries in these documents include the following:

Contributions

Name of Contributor	Amount Contributed
Lois Strand	$ 2,600.00 (in kind)
Mingo Oil Co.	650.00 (in kind)
Pony Haven	1,400.00 (in kind)
Michael Strand	1,041.00 (in kind)

Expenditures

Date	Name	Purpose	Amount
6/20/84	Mike Strand	Conv. Exp. (peanuts)	$ 102.00
6/21/84	Pony Haven	picnic, pony rides	1,000.00
6/30/84	Michael Strand	expenses paid by	1,041.00
6/30/84	Lois Strand	food for picnics	2,600.00
6/30/84	Mingo Oil	personal services	650.00
6/30/84	Pony Haven	rides	1,400.00

9704383047

Allegation No. 3: Mr. Snow was a "co-conspirator" with Mr. Strand in a scheme involving a merger between Global Oil Company, a corporation controlled by Mr. Strand, and Unique Battery Systems, Inc.

Finding No. 3: Document copies included with the anonymous letter received at the Harmer campaign headquarters, as well as information contained in court documents described below, demonstrate Mr. Snow's involvement in the matter between Global Oil Company and Unique Battery Systems, Inc. These documents also show that Mr. Strand had substantial involvement in this matter. While available documents fail to provide information sufficient to fully explain the nature of Mr. Snow's involvement, they raise significant questions.

Among items of documentation included with the anonymous letter are the following:

Item No 1: "Plan and Agreement of Reorganization" (between Global Oil Company, buyer, and Unique Battery Systems, Inc. (U.B.S.I.), and twenty-three individual owners of all issued and outstanding shares of U.B.S.I. stock.)

Item No. 2: "Minutes of a Special Meeting of the Stockholders of Global Oil Company" (held February 25, 1985).

Item No. 3: "Unique Battery System, Inc. List of

Stockholders as of February 1, 1985".

Item No. 4: Copy of campaign brochure showing signature of Karl N. Snow.

On page (10) of the document listed as Item No. 1 above, the signature of Karl N. Snow appears among other "Sellers" of shares of Unique Battery Systems, Inc. stock to be purchased by Global Oil Co.

Page (3) of the document listed as Item No. 2 above contains a resolution indicating that "Carl Snow" was elected on February 25, 1985, along with two others, to serve as a director of Global Oil Company.

The document listed as Item No. 4 above shows a signature for Third Congressional District candidate Karl N. Snow. This signature appears to be the same as that which appears on page (10) of Item No. 1.

Documents included in a civil lawsuit (C86-4029) brought by Global Oil Co. (plaintiff) against Unique Battery Systems, Inc., et al (defendants) in Utah Third District Court (Salt Lake County) raise substantial questions concerning the propriety of involvement by Michael Strand in dealings between these companies in connection with a proposed merger. These documents do not, however, shed light on the specific nature of Mr. Snow's involvement in this matter.

In another civil lawsuit (C88-5607) brought by Global Oil Co. (plaintiff) against Leaco Mines, Inc., et al (defendants) in Utah Third District Court, statements contained in the defendants' answer (page 7) to Global's complaint raise significant questions concerning Mr. Strand's involvement in this matter, and the proposed merger between Global Oil Company and Unique Batter Systems, Inc.

Included as documents in the Third District Court case file for this lawsuit (C88-5607) are copies of a portion of a Shareholders Report for Global Oil Company, prepared by Atlas Stock Transfer Company. Page (42) of this report, dated April 28, 1987, shows that Karl Snow, 1847 North Oak Lane, Provo, Utah, held a total of 117,500 shares of Global Oil Company stock. The report indicates these shares were issued between April 1, 1985 and November 14, 1986. Mr. Snow was issued 100,000 shares on June 28, 1985.

The same Shareholders Report shows that Wanda M. Snow and Karl N. Snow (JTTEN), 1156 East Cedar Avenue, Provo, Utah held 4,000 shares of Global Oil Co. stock, issued September 26, 1986.

Also shown as shareholders of Global Oil Company stock were Lois Strand (2,663,285 shares) and Mike Strand Family Partnership (151,000 shares). The report indicates that the shares held by Lois Strand were issued June 28, 1985. Mr. Snow acquired 100,000

9704383047/8

shares on that same date.

A question which available documents fail to answer is how Mr. Snow obtained ownership of 100,000 shares of stock in Unique Batter Systems, Inc.

Conclusion

From the above information concerning Mr. Snow's relationship with Mr. Strand, there are many questionable activities that raise questions concerning the former's financial integrity. Other information concerning the allegations about Utah Technology Finance Corporation will be forthcoming.

9704383047 9

MINUTES OF A

SPECIAL MEETING OF THE STOCKHOLDERS

OF

GLOBAL OIL COMPANY

a Utah corporation

A special meeting of the stockholders of Global Oil Company was held on the 25th day of February, 1985, at the Hilton Hotel, Salt Lake City, Utah at 10:00 a.m. Frank M. Whitney, President of the corporation, acted as Chairman of the meeting. John D. Darger was appointed to record minutes.

As the first order of business, the Chairman directed that a roll be kept of the stockholders present. Thereupon, it was determined that stockholders representing 10,000 shares of the meeting were present in person. A tally was made of shares represented by validly executed proxies from which it was determined that 1,653,975 shares of the corporation were present by proxy. The stockholders' records show there to be 3,172,600 shares of the corporation validly issued and outstanding and entitled to vote at the meeting. There being 1,663,975 shares present either in person or by proxy, the Chairman declared a quorum and directed that the meeting proceed, hearing no objections from the floor.

Thereupon, the following business was transacted:

The chairman presented to the meeting a plan and agreement of reorganization between Global and Unique Battery Systems, Inc, (U.B.S.I.) signed subject to stockholder approval, pursuant to which 100% of the outstanding shares of U.B.S.I. will be acquired

9704383048O

by Global in exchange for 13,759,176 common shares of Global. After review of this proposal and the need, if it is to be approved, to amend the Articles of Incorporation to increase the authorized capital of Global and change its name, John D. Darger, President of U.B.S.I. gave a presentation in whcih he explained the features of the Unique Battery and the status and future business plans of U.B.S.I.

The foregoing background on the proposals set before the stockholders having been presented, and appropriate discussion thereof having been completed, the following resolutions contained in the notice of the meeting were presented, duly seconded, and votes of the shares present in person and by proxy were recorded as follows:

> RESOLVED, that the President and Secretary of the corporation be, and they are hereby authorized and directed to file Articles of Amendment to the Articles of Incorporation (1) increasing the authorized capital of the company from $300,000 divided into 6,000,000 common shares of $.05 par value, to $1,000,000 divided into 20,000,000 common shares of a par value of $.05; and (2) to change the name of the corporation to Unique Industries, Inc..

FOR: 51,175 AGAINST: 2,500 ABSTAINING: 1,600,300

> RESOLVED, that the plan and agreement of reorganization pursuant to which Global shall acquire 100% of the outstanding shares of Unique Battery Systems, Inc. in exchange for 13,759,176 common shares of Global be, and it is hereby ratified and approved; and the officers of the company are instructed to take all measures reasonably necessary

9704383048 1

to comply with the terms of that agreement, including issuance of the shares required thereby.

FOR: 51,175 AGAINST: 2,500 ABSTAINING: 1,600,300

RESOLVED, that the following persons be, and they are hereby elected as the directors of the corporation, to serve for the next year or until their successors shall be elected and qualify, whichever shall last occur:

John D. Darger
Ronald D. Sorth
Carl Snow

FOR: 51,175 AGAINST: 2,500 ABSTAINING: 1,600,300

The Chairman then asked those present whether there were further questions, comments, business, or proposed resolutions from the floor. Hearing none, the Chairman declared the meeting closed and upon motion duly made, seconded, and passed, the meeting was adjourned.

Dated: February 25, 1985

FRANK WHITNEY
Chairman

JOHN D. DARGER
Secretary

9704383048 2

PLAN AND AGREEMENT OF REORGANIZATION

GLOBAL OIL COMPANY, a Utah corporation, (hereinafter sometimes called "Buyer"), UNIQUE BATTERY SYSTEMS, INC., a Utah corporation, (hereinafter sometimes called "U.B.S.I."), and Twenty-three natural persons who are the individual owners of all the issued and outstanding shares of U.B.S.I., (hereinafter sometimes called "Sellers"), hereby agree as follows:

ARTICLE I

PLAN OF REORGANIZATION

Plan Adopted

Section 1.01: A plan of reorganization of Buyer, U.B.S.I., and Sellers is adopted as follows:

a. Sellers will transfer to Buyer all of their right, title and interest in and to 45,864 common shares of U.B.S.I. comprising one hundred percent (100%) of the issued and outstanding shares thereof, pursuant to the terms and conditions hereinafter set forth.

b. In exchange for the shares transferred by Sellers pursuant to this agreement, Buyer will cause to be issued and delivered to Sellers pro rata to their ownership of shares of U.B.S.I., Thirteen million, seven hundred fifty-nine thousand, one hundred seventy-six (13,759,176) shares of Buyer's five cent ($.05) par value common stock, to be delivered at the close. The 13,759,176 shares of Buyer to be issued cumulatively to Sellers shall constitute not less than 81.0% of the total shares of Buyer which will be

9704383043

outstanding immediately after closing. The said common stock of Buyer shall, when issued, be validly authorized and issued, fully paid and non-assessable.

Closing Date

Section 1.02: This plan of reorganization shall be closed and consummated when signed by all the parties. The date of such consummation is the "closing date" or "closing" as referred to herein. "Final Closing" shall occur when this agreement has been ratified by a majority of the outstanding shares of Buyer.

ARTICLE II

COVENANTS, REPRESENTATIONS AND WARRANTIES OF BUYER

Legal Status

Section 2.01: Buyer is a corporation duly organized, validly existing and in good standing under the laws of Utah with lawful power to conduct all businesses in which it is engaged in all jurisdictions in which it is found.

Section 2.02: Buyer has an authorized capitalization of 6,000,000 common shares of five cent ($.05) par value. Prior to or contemporaneously with the final close, its capital will be $1,000,000 divided into 20,000,000 common shares of a par value of five cents ($.05) per share. There are now and will be at closing not more than 3,176,000 such shares outstanding. Buyer warrants that there will, immediately after the closing of this agreement, be not more than 16,935,176 common shares of Buyer outstanding.

9704383004884

There are no further contracts or other documents requiring the issuance of further shares of Buyer. There are no outstanding options, warrants or securities convertible into common stock of Buyer.

Financial Condition

Section 2.03: The unaudited financial statement of Buyer as at December 31, 1983, attached hereto as Exhibit I, fully and accurately represents the financial condition of Global Oil Company at the date indicated. There are not, and will not have been any material changes in such financial condition from that date to the date of closing.

Performance Not Violative of Any Instrument

Section 2.04: The performance by Buyer of its obligations under this agreement will not result in any breach of the terms or conditions of, or constitute a default under, any agreement or instrument to which Buyer is a party, or by the terms of which Buyer is bound.

Material Contracts

Section 2.05: Buyer is not, and at the closing date will not be a party to, or bound by any material, oral or written contract for the employment of any officer or employee or commitment for any special bonus, compensation or severance pay; or any pension, profit-sharing, retirement or stock purchase plan with its employees or others; or any contract with any labor union.

9704383004885

Litigation

Section 2.06: There are not now, and at the closing there will not be any material claims, actions, proceedings or investigations pending or threatened against Buyer in any court or regulatory agency, nor any orders, writs or injunctions issued out of any such court or agency affecting Buyer.

Taxes

Section 2.07: Buyer does not owe any state, federal or local taxes and has filed all tax returns required to be filed by it excepting those related to accrued taxes for the current year, filings on which are not yet due.

Securities to be Issued

Section 2.08: The shares of Buyer to be issued pursuant to this agreement are of five cent ($.05) par value and have equal voting rights as all other shares of Buyer outstanding. Sellers hereby acknowledge their awareness that the said shares will not, when issued, have been registered under either the Securities Act of 1933 or under the Uniform Securities Act of any state; but are being issued in reliance on the exemption from federal registration provided by Section 4(2) of the Securities Act of 1933 for transactions not involving any public offering and from state registration by applicable isolated transaction exemptions. In connection therewith, Sellers individually acknowledge, warrant and represent as follows:

9704383004886

a. They have received and reviewed, as to Buyer, certain information prepared by Buyer pursuant to Rule 15c2-11 of the Exchange Act, including financial statements.

b. Sellers are persons of sufficient business experience to evaluate this transaction. Each Seller is financially able to bear the risk of his investments in Buyer's common shares.

c. Each of the Sellers is purchasing Buyer's shares for his own account, for purposes of investment and not with a view to distribution.

d. Each Seller consents to the placement on each certificate representing his shares of Buyer of a standard form investment legend stating that the shares are not registered under the Securities Act of 1933 and cannot be sold, hypothecated or transferred without registration or under an appropriate exemption from registration. Each Seller acknowledges his familiarity with Rules 144 and 237 of the S.E.C. which generally govern resale of restricted securities. Each Seller further concedes that Buyer has not represented, directly or indirectly, that the exemption provided by either rule will ever be available to him or his assignees.

e. Each Seller hereby consents to the placement of "stop-transfer" instruction as to all shares issued to him hereunder.

9704383048 7

ARTICLE III

ACCESS TO BUSINESS RECORDS OF BUYER PENDING THE CLOSING

Section 3.01: Buyer will afford Sellers or their accredited representatives, pending closing, full access during normal business hours to all properties, books, accounts, contracts, commitments and records of every kind of Buyer.

Section 3.02: In addition, Buyer will permit Sellers to make extracts or copies of all such documents and to supply such additional information or material as may be reasonably necessary to fully inform Sellers of the condition of Buyer. Each Seller agrees to hold and use all such information in confidence.

ARTICLE IV

COVENANTS, REPRESENTATIONS AND WARRANTIES OF UNIQUE BATTERY SYSTEMS, INC.

Legal Status

Section 4.01: Unique Battery Systems, Inc. is a corporation duly organized, validly existing and in good standing under the laws of Utah with lawful power to conduct all business in which it is engaged, and in all jurisdictions in which it is found.

Section 4.02: There are now and will be at closing not more than 45,864 common shares outstanding in the hands of not more than twenty-three registered and/or beneficial holders.

9704383048

U.B.S.I. is not under any obligation, contractual or otherwise, to issue any additional stock, or securities convertible into stock, and there are outstanding no options, warrants or securities convertible into common stock of U.B.S.I..

Financial Condition

Section 4.03: The consolidated financial statement of U.B.S.I., attached hereto as Exhibit II, fully and accurately represents the financial condition of U.B.S.I. at the date indicated. There have been no material changes in such financial condition from that date to the date of closing, except those arising from the ordinary conduct of its business.

Performance Not Violative of Any Instrument

Section 4.04: This plan and agreement of reorganization will not result in any breach of the terms or conditions of, or constitute a default under, any agreement or instrument to which U.B.S.I. is a party, or by the terms of which it is bound.

Material Contracts

Section 4.05: U.B.S.I. is not, and at the closing date will not be a party to, or bound by any material, oral or written contract for the employment of any officer or employee or commitment for any special bonus, compensation or severance pay; or any pension, profit-sharing, retirement or stock purchase plan with its employees or others; or any contract with any labor union.

Litigation

9704383004389

Section 4.06: There are not now, and at the closing there will not be any material claims, actions, proceedings or investigations pending or threatened against U.B.S.I. in any court or regulatory agency, nor any orders, writs or injunctions issued out of any such court or agency affecting U.B.S.I.

Taxes

Section 4.07: U.B.S.I. does not owe any state, federal or local taxes and has filed all tax returns required to be filed by it except accrued taxes for the current year as to which filings are not yet due.

ARTICLE V

CONDUCT OF BUSINESS OF UNIQUE BATTERY SYSTEMS, INC. PENDING THE CLOSING

Section 5.01: U.B.S.I. shall be entitled to conduct its regular and ordinary business pending the closing.

Section 5.02: U.B.S.I. will afford Buyer and its accredited representative, pending closing, full access during normal business hours to all its properties, books, accounts, contracts, commitments and records of every kind.

Section 5.03: In addition, U.B.S.I., will permit Buyer to make extracts or copies of all such documents and to supply such additional information or material as may be reasonably necessary to fully inform Buyer of the condition of U.B.S.I. Buyer agrees to hold and use all such information in

9704383049O

confidence.

ARTICLE VI

LEGAL OPINIONS

Section 6.01: The obligations of the parties hereunder shall be, at their individual discretion, subject to their respective receipt of opinions of their counsel in form satisfactory to them to the effect that the shares of stock to be delivered hereunder will, when delivered, be validly issued, fully paid and non-assessable voting shares of the other party after delivery pursuant hereto.

ARTICLE VII

MISCELLANEOUS

Section 7.01: Notices. Any notice or other communications required hereby shall be deemed delivered when deposited in the United States mails for transmittal by certified or registered mail, postage prepaid, return receipt requested, addressed to the respective corporate and individual parties hereto as set forth on Exhibit III hereof.

Section 7.02: Entire Agreement Counterparts. This instrument and the exhibits and schedules hereto contain the entire agreement of the parties. It may be executed in any number of counterparts, each of which shall be deemed original, but such counterparts together constitute only one and the same instrument.

9704383049 1

Section 7.02: Controlling Law. The validicity, interpretation of terms and performance of this agreement shall be governed by and constructed under the laws of Utah .

WHEREFORE, we have set our hands hereunto this 5 day of February, 1985.

GLOBAL OIL COMPANY

President

ATTEST:

Secretary

UNIQUE BATTERY SYSTEMS, INC.

President

ATTEST:

Secretary

SELLERS:

9704383004492

::

Ben Ethel Eaves

Otis Emmett Grove

Earl D. Hines

Tyra N. Hood

Francis Hudgens

Geraldine Jenkins

Kim Randell

Middleton

Frank M. Richter

9704383004933

1068 1 82 C-0507K 5 25 82 4 190 1 1 2 115 49035

PLAINTIFFS	DEFENDANTS
YOKOHAMA TIRE CORPORATION, a California corporation,	MOUNTAINLAND DISTRIBUTORS, a Utah general partnership; PHILIP WASHBURN and KARL N. SNOW, and DOES I thru X

9704383 0049 4

CAUSE

(CITE THE U.S. CIVIL STATUTE UNDER WHICH THE CASE IS FILED AND WRITE A BRIEF STATEMENT OF CAUSE)

28 USC 1332 for goods sold and delivered.

ATTORNEYS

STEPHEN B. MITCHELL, ESQ
Bumbidge, Mabey & Mitchell
438 East 2nd South #1
Salt Lake City, Utah 84111

(for Philip Washburn & Karl N. Snow
ROBERT L. MOODY, Esq.
Christensen, Taylor & Moody
55 East Center Street
P. O. Box 1466
Provo, Utah 84603
373-2721

COPY OF PROCEEDINGS AVAILABLE FROM DENVER

000125

CHECK HERE IF CASE WAS FILED IN FORMA PAUPERIS	FILING FEES PAID	STATISTICAL CARDS
	DATE / RECEIPT NUMBER / J.D. NUMBER	CARD
		JS-5
		JS-6

DATE	NR.	Yokohama Tire Corp -vs- Mountain[illegible]	C-81-0507W
3-82	1	COMPLAINT filed-Assignment to Hon David E. Winder, reported.	
27/82	2	Answer of Defendants Phillip Washburn and Karl N. Snow.	
-82ds		Certificate of Service of Rule 33 Interrogatories and Rule 34 Document Requests.	
13/82	3	Defendant's answer to interrogatories and document requests.	le
	4	Response to plaintiff's request for production of documents to defendants.	
1-82ds		Notice of Depositions filed by pltf. (of Phillip Washburn 10-21-82 at 2:00 PM, Karl N. Snow 10-26-82 at 2:00 P.M.	
14/82	5	Defendants' objection to notice of deposition of Karl N. Snow on 10/26/82.	
7/82	6	GENERAL ORDER OF REFERENCE SIGNED BY JUDGE WINDER. ORDERED THAT ALL PRETRIAL DISCOVERY MOTIONS...ARE REFERRED TO THE MAGISTRATE.	
-19-82	lt	MINUTE ENTRY -- Upon receipt of this file the magistrate called Stephen Mitchell, attorney for the plaintiff, and the one who noticed the depositons on 10-18-82. He advised that he would yield to the request of the defendant's counsel for a different date for the deposition so the matter is taken care of. Objections are stricken.	
-15	2ds	Notice of Continuance of Deposition (of Karl N. Snow, 12-2-82 at 10:00 A.M.)	
28	3 7	Plaintiff's motion to compel attendance at deposition. Notice of hearing set for 2/7/83 at 11:00 a.m. before the Magistrate.	
10	3	le Plaintiff's notice of initial pretrial conference set for 2/14/83 at 9:15 a.m. before the Magistrate.,SLC.	
14	3 8	Initial Pretrial Conference held by Magistrate, Alsup. Plaintiff will file motion for summary judgment by 9/30/83; defendant will possibly file same by 9/30/83. All discovery will be completed by 9/16/83; An attys' conference will be held on 12/15/83 at 10:00 a.m. at plaintiff office. A final pretrial willl be held at 8:30 a.m. before Judge Winde on 1/5/84. Trial is fixed for 1/26/84 - NONJURY. Estimated time of trial is 1½ days. Settlement prospects fair. Copy mailed to counsel.	
-5	cn 9	PRETRIAL ORDER signed by Judge Winder, 1-5-84 that Discovery has been completed. Trial is set for 1-26-84 w/o jury at 9:30 a.m. Estimated length of trial is 1 1/2 days. Possibility of settlement is poor. Copies mailed to counsel.	
5/84	lw	Came before the court for pretrial. Pretrial order was presented to the court. Non-jury trial set on 1/26/84 at 9:30 A.M. Court advised counsel of the possibility of vacating the trial date in this case due to the fact of a criminal case starting that week. Counsel are to keep in touch with the court's secretary in this regard. Mr. Mitchell stated he would only need 24 hour notice to notify his witnesses not to appear. Length of trial is 1-1/2 days. Plaintiff's exhibits were marked and left with the clerk.	
26/84	lw	COURT TRIAL HELD.	
27/84	lw	COURT TRIAL HELD. Final closing arguments were heard. Matter was taken under advisement.	
-7-84ds	10	Findings of Fact and Conclusions of Law, signed by Judge Winder, 2-7-84, defs. are indebted to pltf. in the sum of $69,161.73 together with interest as provided by law from and after Sept. 1, 1981. Pltf. is entitled to recover from defs. its cost of suit. Copy mailed to counsel by JW's secretary.	
7-84ds	11	Judgment, signed by Judge Winder, 2-7-84, judgment to be entered in favor of pltf. and against defs. for $69,161.73 together with interest as provided by law from and after 9-1-81, and pltf. is entitled to recover its costs. Copy mailed to counsel by JW's secretary.	
14/84mw	12	Pf's Memo. of Costs & Disbursements	

JS 111A
(Rev. 2/79)

CIVIL DOCKET CONTINUATION SHEET

PLAINTIFF	DEFENDANT	DOCKET NO. C-82-0[illegible]
YOKOHAMA TIRE CORP.	MOUNTAINLAND DISTRIBUTORS, et al	PAGE 2 OF ____ PAGES

DATE	NR.	PROCEEDINGS
9-12-84cn		Return on Execution served on Philip Washburn, 6-6-84; Karl N. Snow, 6-7-84
4/16/85mw	13	Defs' Notice of filing of Bankruptcy Petn & Automatic Stay.

9704383046

000127

Ralph C. Petty #2595
Attorney for Plaintiff
100 Commercial Club Building
32 Exchange Place
Salt Lake City, Utah 84111
Telephone (801) 531-6686

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH
Central Division

In re PHILIP WASHBURN, LORRAINE WASHBURN, d/b/a MOUNTAINLAND DISTRIBUTORS, Debtor.	ORDER AND JUDGMENT
KARL N. SNOW, JR. and DONNA D. SNOW, Plaintiffs, v. PHILIP WASHBURN, and LORRAINE WASHBURN, Defendants.	Bankruptcy No. 85C-1042 Adversary Proceeding No. 86PC-0298

The above-entitled matter came on regularly before the Honorable Judge Glen E. Clark, one of the Judges of the above-entitled Court, the Court having reviewed the files and records herein, having reviewed the stipulation of the parties, and for good cause appearing, therefore:

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that nondischargeable judgment for the violation of United States Bankruptcy Code § § 523(a)(2)(A) and 523(a)(4) be entered against Defendants forthwith in the amount of $50,000.00 plus post judgment interest at the rate of 12 percent per annum.

9/U438304 97

Plaintiffs are stayed from executing on this judgment for one year after the date of its entry.

DATED this 18 day of July 1989.

By the Court:

(S)

Glen E. Clark, Judge

Approved as to Form:

Ronald R. Stanger

MAILED TO PARTIES ON:
JUL 21 1989
DEPUTY CLERK
U.S. BANKRUPTCY COURT

9704383004928

INDEMNITY AGREEMENT

This Agreement is made the _____ day of July, 1984, between Philip Washburn and Karl N. Snow.

In consideration of the payment by Karl N. Snow to Philip Washburn of Ten Dollars and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Philip Washburn, Philip Washburn hereby indemnifies Karl N. Snow and agrees to hold him harmless against all claims, suits, damages, costs, losses and expenses incurred or paid by Karl N. Snow in any manner resulting from or arising out of or in connection with the civil action Yokohama Tire Corporation v. Mountain Distributors, Civil No. C 82-0507W, filed with the United States District Court for the District of Utah (Central Division).

Such indemnification shall include any and all attorneys fees incurred by Karl N. Snow in defense of such claims or in seeking indemnification from Philip Washburn whether incurred through legal action or otherwise and whether incurred before or after judgment.

This Agreement shall be binding on and inure to the benefit of the heirs, executors, administrators and assigns of the respective parties hereto.

PHILIP WASHBURN

KARL N. SNOW

9704383049

000130

STATE OF UTAH)
) ss
COUNTY OF ~~SALT~~ UTAH LAKE)

On this 31 day of July, 1984 before me a Notary Public in and for said County, personally appeared Philip Wasburn and Karl N. Snow, known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same of their own free act and deed.

NOTARY PUBLIC, residing at
Sy York, Utah

My Commission Expires:
3/14/88

9704383050 0

Cites Own Record in Campaign Volley

SL Trib. 21 Aug. 1990 - B1

Harmer Challenges Snow to Reveal Finances

By John Kralev
Tribune Staff Writer

Hard District Congressional candidate John Harmer believes the best defense is a good offense

The conservative Republican outlined his financial history Monday and served notice to primary election opponent Karl Snow he expects [illegible] have delivered a letter to Karl Snow regarding materials



Mr Harmer

about his past financial dealings and business associations," Mr Harmer told reporters "We have given Snow until a week from today to respond to these concerns"

Mr Harmer's finance manager, Rick Haskell, told *The Tribune* last week the Harmer camp had received anonymous tips about Mr Snow's financial history and turned those tips over to a private investigator

He said campaign officials decided not to make public the charges "substantiated" by the investigator, but instead would ask Mr Snow to make them public Mr Harmer Monday changed that position by setting the one week deadline

A written statement issued Friday by Snow headquarter said such a packet, when received, would be turned over to four Provo attorneys who announced last week they would conduct an independent investigation of Mr Harmer's finances

"I cannot afford the time to concern myself with unsubstantiated charges from Mr Harmer or his campaign," Mr Snow said in the statement He said he already has reported his financial background to Utah GOP Chairman Richard Snelgrove who, Mr Snow said, reported nothing unusual or surprising

Mr Harmer also claimed that last week's resignation by Snow Campaign Director Chuck Warren over disclosures about past legal problems was "to divert attention from the mistaken tactics of their campaign I am confident that Warren had no intention of either resigning from the Snow campaign or filing a lawsuit"

Mr Warren confirmed Monday that while he resigned last week from his paid position as a Snow strategist, he is back as an unpaid volunteer working to help his candidate build a grass-roots political organization. He said Mr. Snow asked him to stay with the campaign.

Concerning the lawsuit, he said last week he would sue Harmer Campaign Manager Mickey Cochran for slander in making what Mr. Warren said were false charges about an alleged check-writing case he was involved in four years ago.

"I'm still looking into [filing the suit]," Mr. Warren said, "I'm setting up a meeting to talk with my attorneys next week."

During Monday's news conference, Mr. Harmer read from a lengthy statement and addressed, point by point, specific financial problems dating back to 1976. A list of those problems was released by Salt Lake County GOP Chairman Peter Van Alstyne last week who called for Mr. Harmer to payoff his debts and outstanding taxes.

Out of the 12 items Mr. Van Alstyne listed, Mr. Harmer said all but one has been paid in full, including obligations that have been paid in the last two weeks. The remaining unpaid, uncontested obligation is a $17,931.29 tax liability owed to the Utah State Tax Commission.

That will be paid, Mr. Harmer said, when he completes negotiations to sell his interests in Eyring Inc., of Provo, and Eyring Hydrocarbons of Salt Lake City. He said he expects the sale to go through soon.

In a short time, he said, "I'll be sitting on a good bundle of cash" and will use the money to pay off all outstanding obligations, including the Utah tax liability.

In addition, Mr. Harmer is involved in a dispute with the IRS over taxes owed by another company Mr. Harmer is involved with. He said negotiations are continuing with that agency.

"We have spent all of our time hassling over financial situations," he said of the campaign, "and not enough time on the issues."

"At no time and under no conditions have I defrauded or cheated anyone," he said he wished the people he had made rich over the years were as vocal as his detractors.

"I've made mistakes" regarding some financial decisions in the past, he told reporters. "But I can admit them and move on."

000132

9704383051

Snow calls complaints 'laughable'

■ Politics: Front-runner responds to packet that Harmer says shows Snow's misdeeds.

By Bob Bernick Jr.
Deseret News political editor

As 3rd District candidate John Harmer was explaining his finances Monday morning, his GOP opponent Karl Snow was saying that "anonymous" complaints about his finances "are laughable, completely without basis."

Late Friday evening, Harmer dropped off at Snow's campaign headquarters a packet that Harmer says shows Snow's financial misdeeds. Snow refused to meet with Harmer at Republican headquarters to talk about those charges but did issue a news release and talk to the press.

Here are the complaints:

— Snow was involved in a partnership, Mountainland Distributors, whose goal was to import Chinese tires to the United States. Snow said he soon became concerned about the management capabilities of the firm. Before trouble arose, Snow bought an indemnity from suit from the partnership and left the firm. When the firm did declare bankruptcy, Snow was actually a plaintiff, not a defendant, in the suit.

"I won a judgment, was vindicated in court. Not only did I do nothing wrong, I did everything legally right. I was not in bankruptcy. I was a plaintiff."

— Snow at one time did some contract work for Michael Strand, a man with a long history of legal troubles. Strand has been convicted of improper income tax filing and mail fraud. A large suit charging stock ma-

Please see SNOW on B4

SNOW

Continued from B1

nipulation is pending in court against Strand, who is now serving a four-month sentence for possession of firearms — something a convicted felon can't have.

Several years ago, Strand was involved in a penny stock company called Global Oil. Anonymous mailings to the Deseret News claim Snow held 100,000 shares of Global Oil and was involved in the sale of Global Oil to Unique Battery, another penny stock company.

"I never attended any board meeting of Global Oil. I never accepted any stock in that company, although it was offered. I haven't seen Michael Strand in four years and have had nothing to do with his companies," said Snow.

A search of court documents shows Snow hasn't been named as a defendant in lawsuits now pending concerning Global Oil or Unique Batteries.

"I've never tried to manipulate penny stocks. I wouldn't know how, even if I wanted to, and I don't. Yes, the Strand family has contributed to my campaigns. I've known Strand's wife and father-in-law for years. But just because someone gives to a political campaign doesn't mean you're responsible for their private business dealings."

Snow is president of Utah Technology Finance Corp., a corporation set up by the state to encourage high-tech development in Utah. "UTFC has never had anything to do with Strand. Goodness, Strand has never had anything to do with high-tech companies."

UTFC directors, of which Snow is one, serve for free. However, board members are paid as consultants for specific UTFC work above and beyond regular board work. Snow was paid $5,000 last year by UTFC for representing the board at various gatherings — all with the approval of the board. "There is absolutely no conflict of interest here. It is all above board and reported on my financial statement with the (U.S.) House," said Snow.

"I owe no debts. I have no judgments against me. My credit rating is outstanding. I never brought up Mr. Harmer's financial problems. They are a matter of public record. Enough is enough. Enough is enough. I'd get on with this campaign and talk about issues, not someone's financial dealings."

Snow said he would turn over the packet delivered by Harmer to four Provo attorneys who have volunteered to do an independent review of the candidates' finances.

Des. News 21 Aug 1990 B1

000133

REPUBLICANS FOR HONOR
in
CAMPAIGN FINANCING

5 February 1991

Dear Fellow Republican;

Just three months ago we participated in a general election. For the vast majority of offices in the Third Congressional District Republican candidates were victorious. That is as it should have been, given the beliefs in conservative, responsive government that most of us hold dear. The one exception to the Republican sweep that is most glaring and which should not have occurred was the loss to the Democrats of the seat in Congress. The reasons for losing that seat are numerous. We are sure that most of us have given it a great deal of thought. We had a worthy, well prepared candidate. The bottom line is that we, as Republicans, did not pull together. We lost the election.

Unfortunately, though we lost the election, our candidate, Karl Snow, was saddled with the debt for running the campaign in our behalf. As Republicans, we should consider this debt one that we all share. Karl represented the Party. We are the Party. We chose him to carry our banner by a large majority. Had we supported him in the final contest, he would have won handily, and there would be no debt. As it is, there is a staggering financial burden that he should not be forced to bear alone. For us this is a debt of HONOR!

Each of us should feel an obligation to help retire this cloud over our Party. A donation of $15 from each of us would do the job. Of course, send what you can. $5 donations or $10 would be extremely helpful. Greater amounts, according to your ability, would be outstanding.

Make your personal check out to "SNOW FOR CONGRESS" and send it to Snow for Congress, 1847 North Oak Land, Provo, Utah 84604. As Republicans, financial responsibility is one of the corner stones of our beliefs. Let us show our committment to that principle and get rid of this blight on the honor of the Republican Party.

Most Sincerely,

Howard C. Nielson
U. S. Congress 1983-91

LeRay L. Mc Allister
Utah State Senator

C.E. Peterson
Utah State Senator

Dean L. Bristow, M. D.

Byron Harward
Utah State Representative

9704383050 3

000134

Dean L. Bristow
342 South 950 East
Payson, Utah
84651

PROVO UT
PM
5 MAR
1991

ALWAYS
ZIP CO

000135

Ken Murdock
4048 N. Devonshire Drive
Provo, Utah
84604

9704383050 4

"The Chickens are Coming Home to Roost."

Statement of Mickey Cochran
Concerning State of the Republican Party

On Monday, October 29, 1990, in a move claiming to show party unity, Richard Snelgrove made a statement that flew in the face of what he knew to be true. This is the same Richard Snelgrove who refused, after several requests, to control his own party's infighting during the state convention and primary election campaigns.

Snelgrove refused to authorize an impartial investigation of Karl Snow's business activities. He said that Snow had already been cleared. He said that the charges against Snow were made by "kooks, criminals, and fanatics." **But Snelgrove knew Snow had lied about his relationship with Michael Strand.**

I know personally that Snelgrove knew of this information. He has now tried to sweep it under the rug of political rhetoric rather than dealing with the problem. About a week ago, **Snelgrove said several times, referring to Snow, "The chickens are coming home to roost." Now Snelgrove wants to lock Snow's chickens out of their coop.**

The attempts to blame Snow's woes on everyone but Snow in order to preserve political power demonstrates the Republican leadership's refusal to deal with the crisis within the party.

The people have lost confidence in their leaders and the political system because of this inability to be forthright and honest.

I am a Republican—true-blue, dyed-in-the-wool. But what choice have I been left with for next Tuesday's election?

Snelgrove's press conference was the final insult to the basic sense of fair play which I know characterizes the rank and file of the Republican party in Utah. **These attempts to paint anyone who disagrees as "kooks, criminals, and fanatics" is an insult to the democract process and to the right of the people to think for themselves.**

I could no longer maintain my silence in the face of this hypocrisy from those leaders who purport to represent the "mainstream" of Republican thought.

It's time to challenge the arrogant power-brokers who assume their wisdom is superior to the people. **I have decided to speak out because what is morally right should never be supplanted by what is politically expedient.**

9704383050 5

9704383050 6

Karl N. Snow, Jr.
1847 N. Oak Lane
Provo, Utah 84604
June 5, 1985

Peggy Fugal Advertising

950 North University Avenue
Provo, Utah 84604

Dear Peggy:

I am in receipt of your somewhat caustic letter. Let's set the record straight. First, I have been by your office no fewer than three times. The last time your husband was there with two of your small children, but as of nearly 10:00 a.m. you had not come into the office. Secondly, I asked you in my second letter to contact Mike Strand in Salt Lake City who had agreed to evaluate the matter in terms of any moral commitment that the Snow for Governor Committee might have in the contested billing.

Without endeavoring to respond to your melodramatic assertions that I have failed to keep my commitments or that somehow I expected you to work free, let me reiterate my position which I have reviewed thoroughly with those who were associated with this aspect of my campaign.

First, Peggy Fugal on two separate occasions, the last one being in my home, agreed to provide discounted advertising services without the customary commissions for a period of time up to the State Party Convention, with the understanding that if Snow were to come out of the convention Fugal Advertising would get, exclusively, the campaign account. Secondly, it was understood that the Snow Campaign would pay, up front, for all services and materials delivered. My recollection was that the latter was a condition set forth by Peggy Fugal.

As the Snow Campaign ordered various services and materials campaign workers, in every instance, obtained an up front price quote from Fugal Advertising. With rare exceptions a check was delivered to Fugal Advertising at the time the materials were picked up, or at the time an ad was placed. Where campaign workers had difficulty obtaining a check signature the check was delivered within two or three days. The only exception to the above of which I am aware is the one item involving campaign buttons which was overlooked because the item was picked up somewhere in the Salt Lake area rather than at Fugal Advertising. I have two statements confirming the above procedure.

9704383050 7

Now, sometime following the Primary Election, and long after my convention defeat, I received a billing from Fugal Advertising, not only for the buttons but for sales taxes that had not been billed, and a surpise billing for " creative time expenses" in the amount of $3,357.37. Upon a review of the Snow Committee accounts I discovered that the billing for the buttons had been overlooked, and promptly and forthwith sent a check to Fugal Advertising covering this item and what Fugal noted was overlooked sales taxes on the printing of the brochure.

I have tried to make clear to you that billings for anything other than those items where we were given a quote and made a direct order were not in accordance with our earlier agreement. I am supported in this position by those who managed my finances and were present the evening we met in my home. I have documented this position to my satisfactions. It seems to me that where you insisted that payment be made up front. that all such quotes and charges should have included any and all other legitimate indirect expenses incurred by Fugal Advertising. It is further difficult for me to understand how you would expect a political campaign to maintain control or evaluate advertising purchases if, in deed, there were undisclosed and open-ended expenses to be revealed and billed at some future date after the campaign had ended. As for your comment that you suggested on several occasion that we sign a working agreement, this is a new one on me. In the only phone conversation we have had over this billing, we both commented that we should have signed an agreement, but time got in the way. As for me personally, it was never mentioned to me following the meeting in my home.

I have not altered my position since my last letter to you. I had, however, hoped to visit with you personally and to suggest further that you touch base with Mike Strand who had indicated to me, that while he agreed with my position, we may wish to see what could be worked out to avoid hard feelings. I sensed that he might be prepared personally to make a contribution to this end. He tells me, however, that you have not called him.

Peggy, I will be pleased to visit with you by phone if you wish, but I will not come to your office, nor will I correspond with you futher on this matter. Your letters raise too many side issues, emotions, assertions, assumptions about myself, and attempts to involve others (Raylene Ireland, Lee Farnsworth, etc.) that have no interest in this matter. (I don't recall that I have ever mentioned Lee Farnsworth's position so it is interesting that you felt a need to divulge your relationship.) Let me make it clear that I will not be intimidated nor slandered and will take what ever action is necessary to protect my good name. I will and always have assumed my honest debts and respons-ibility. Fairness works both ways, Peggy. You have closed

9704383050 8

out of your mind any notion that your after the fact surprise billing was not fair or even agreed to, or that the amount could be unreasonable in the light of actual creative services rendered.

Now, if you wish to negotiate this matter, or feel that there are legitimate charges within the terms of our verbal agreement, I am once again asking that you contact Michael Strand at 363-9972 in Salt Lake City who will be pleased to discuss this matter with you for and in behalf of the Snow for Governor Committee. Should you decide to proceed with legal action, you are advised to have your attorney contact Mr. Dan Jackson, 538-0645, in Salt Lake City.

Respectfully,

Karl E. Snow, Jr.

✓Enclosed is a copy if you wish to forward same to your attorney.

9704383050 9

9704383051 0

Karl ... Snow
1047 N. Oak Lane
Provo Utah 84604

CLAIM CHECK NO.
183207

☐ HOLD

DATE

1ST NOTICE

2ND NOTICE

RETURN

Detached from PS Form 3849-A Oct. 1980

CERTIFIED

P 001 791 363

MAIL



330137
PE meter

Del from 6-10

Peggy Fugal Advertising
950 North University Avenue
Provo Utah 84604

000141

ORIGINAL

UNITED STATES DISTRICT COURT
DISTRICT OF UTAH
CENTRAL DIVISION

FILED IN UNITED STATES DISTRICT COURT, DISTRICT OF UTAH
NOV 19 1987
BRUCE S. JIMMER, CLERK
BY _____ DEPUTY CLERK

MICHAEL WILLIAM STRAND,	Case No. [illegible]
Plaintiff,	SALT LAKE CITY, UTAH
	July 14, 1987
vs.	9:30 a.m.
UNITED STATES OF AMERICA,	
Defendant.	

VOLUME I, PART II
TRANSCRIPT OF TRIAL
BEFORE THE HONORABLE J. THOMAS GREENE
UNITED STATES DISTRICT JUDGE

APPEARANCES:

For the Plaintiff:
JOHN T. CAINE, ESQ.
Richards, Caine & Richards
2568 Washington Blvd., Suite 200
Odgen, Utah 84401

D. FRANK WILKINS, ESQ.
Moss & Wilkins
250 E. 3rd S. Suite 100
Salt Lake City, Utah 84111

For the Defendants:
STEWART WALZ, ESQ.
Assist. U. S. Attorney
350 S. Main Street
Salt Lake City, Utah 84111

Court Reporter:
REEVE M. BUTLER, RPR
Official Court Reporter
Rm. 224 Federal Bldg.
350 S. Main Street
Salt Lake City, Utah 84101

Proceedings recorded by mechanical stenography, transcript produced by dictation.

9704383051J
PENGAD/WEST, FRESH

Q And are you acquainted with the petitioner in this case, Michael Strand?

A I am.

Q And how are you acquainted with him and when did you begin to be connected with him?

A My recollection is it's been about four years. I came to know him through a mutual friend who asked me to take a look at some papers that he was troubled over and he was interested in and that's how we became acquainted.

Q All right. That would have to go back to about 1983, is that correct?

A That's correct.

Q And --

A Maybe '82; at the end of '82.

Q You were not present or involved in any way when Mr. Strand was tried in United States District Court in October of 1978 on --

A No, sir, nor did I know him.

Q Were you in 1983 also acquainted with Brent Ward, the United States Attorney for the District of Utah?

A Did I see him?

Q Were you acquainted with him first of all?

A Yes, I was.

Q And how were you acquainted with him?

A Well, I know him only casually but I was acquainted with him

9704383051 2

PENGAD/WEST, PHSHO.

A. I am satisfied that these documents as well as any others now contained in the IRS files were in the files before the trial and were accessible to Strand's counsel --

Q. Okay. Stop right there. Thank you. Did you have any further communication with Mr. Ward after the receipt of the letter in April in which he basically says he considers the case closed?

A. I'm not -- I do not recall any written communications with Mr. Ward following that occasion.

Q. All right.

A. Or that letter.

MR. CAINE: Thank you. That's all I have.

THE COURT: All right. Do you have any questions?

MR. WALZ: May I have Exhibit 10, please. Let me have just a moment, Your Honor.

THE COURT: Yes.

CROSS EXAMINATION

BY MR. WALZ:

Q. So the record is clear, Mr. Snow, you are not a lawyer, is that correct?

A. That is correct.

Q. And have you looked at all the exhibits that were introduced at the trial of this case?

A. When you say all, I have a difficult time answering yes, but all that I could get my hands on, yes.

9704383051 3
PENGAD/WEST, FRESNO, CA

Q Have you gone down to the clerk's office and seen what exhibits were actually introduced into evidence?

A I have been to the clerk's office. I'm not sure that I've seen everything that was introduced into evidence. I couldn't answer affirmative on that.

Q Now the basis of your assertion is that Mr. Strand or his representatives have told you that he didn't get certain documents, is that correct?

A No, not entirely. I was told by the mutual friend that we've indicated that he thought there was a gross miscarriage of justice and asked if I would take a look at various documents with him which I did.

Q And you represented to Mr. Ward that these documents were not turned over to Strand's counsel at the time of the trial?

A I did not represent that. I raised questions in the brief as I read the transcripts from the trial and then read these various documents that there seemed to be great inconsistencies.

Q My question is - let me ask it this way. You contend in letters that documents were not turned over to Strand's counsel?

A That would appear to be the case from documents that I read and from transcripts of the trial, yes.

Q And have you reviewed the evidence that was turned over to Mr. Strand and his counsel?

A I reviewed all the material that is now in the so-called green file plus the transcripts of the trials and hearings, yes.

PENGAD/WEST, FRESNO, CA 9/0438305/4

Q What is your basis for the assertion that some of the materials in the green file was not turned over to Strand's counsel?

A Well, I have no knowledge as to whether it was turned over to his counsel per se.

Q Thank you. By the way, have you ever had any business dealings with Mr. Strand?

A Uh, no.

Q Ever possessed or owned any stock that Mr. Strand had sold or promoted?

A Yes. I have purchased, never sold.

Q And the purchase of that stock was when?

A I believe in 1985.

Q What was the name of that stock?

A Classic Oil. I do have some stock.

Q And that was stock that Mr. Strand had promoted?

A I believe he is involved with it, yes.

MR. WALZ: No further questions.

MR. CAINE: I have nothing further.

May this witness be excused?

THE COURT: All right. Mr. Snow, thank you. You may be excused.

MR. WALZ: Your Honor, perhaps we could save some time. It was my understanding that the Court ruled that the testimony of Mr. Floor would be hearsay also to what Mr. Jensen

PENGAD/WEST, FRESNO, CA 9704383051 5

weight. A number of Strand's original offerings were either withdrawn or were not admitted into evidence.[4] Further, a great number of items provided in the green folder are not themselves alleged to be Brady material, new evidence, or otherwise exculpatory.[5] They are, rather, documents provided to show the

---

24A - Summary of Criminal Files, U.S. Attorney Max Wheeler, by Rand M. Elison, dated 05/01/78 ("Martin File Summary");

24B - Appendix - Schedule of C. Martin stock sales ("Schedule of Martin Stock Sales");

24C - Court docket sheet, NCR78-16;

25A - Memorandum to the District Director of Internal Revenue (recommending prosecution of Michael Strand) ("Prosecution Memo");

25B - Affidavit of Gary Ramsey, dated 03/14/83, and Memorandum of Interview of Gary Ramsey, dated 08/25/77, taken by Patti Danks;

25C - Testimony Chart of D. Yeaman;

26 - Transcript of hearing, held 09/22/78 in United States v. Strand, CR78-91;

AA - Motion for Reduction of Sentence, in United States v. Bruce A. Jensen, CR76-114;

Exhibit 2 - Affidavit of Kenneth Dean Pace, dated 04/76 ("Pace Affidavit");

Exhibit 3 - Associated Underwriter's Account Card - Carl Martin ("Martin Account Card") and, handwritten notes;

Exhibit 4 - Letter from Brent D. Ward to Karl N. Snow, dated 02/20/85;

Exhibit 6 - Letter from Brent D. Ward to Karl N. Snow, dated 04/15/85;

Exhibit 7 - Letter from Karl N. Snow to Brent D. Ward, dated 03/27/85;

Exhibit 8 - Same as Exhibit 4;

Exhibit 10 - Letter from Karl N. Snow to Brent D. Ward, dated 12/19/84;

9704383051 6

importance of the exculpatory documents. In his petition Strand explains that the exculpatory documents were "assembled in the 'green folder' in an attempt to make their indivfdual significance easily apparent in the context of the other trial evidence." Petition for Writ of Error Coram Nobis, at 10 (emphasis added). Among these "supporting documents" are excerpts of testimony witnesses gave at trial and other hearings, memorandums, previous decisions of this court, and other documents which appear in the various files. These documents were admitted into evidence without objection, and they are, for the most part, the kinds of things of which the court could simply take judicial notice. Since there is no allegation that

---

Exhibit 12 - Letter from Brent D. Ward to Karl N. Snow, dated 11/21/84;

Exhibit 13 - Letter from Karl N. Snow to Brent D. Ward, dated 09/17/84;

Exhibit 14 - Note "Keep from Strand";

Exhibit 15 - Affidavit of David Floor, dated 12/18/84;

Exhibit 16 - Associated Underwriter's confirmation slip, dated 07/31/75.

4 A total of twenty items were either withdrawn or were not received because they lacked of relevance, foundation or simply were not evidence. In the green folder this included the following numbered items: 7, 9E, 10, 12, 14, 15A, 15B, 17, 18, 19, 20, 25B and 25C. Plaintiff's exhibits 5, 8, 9, 11, 13, 14 and 16 were also withdrawn or excluded.

5 The court has found a total of nineteen items to be "supporting documents." They include only the following numbered items from the green folder: 3A, 3B, 4B, 4C, 6, 8, 9C, 9D, 11, 13, 16A, 16B, 16C, 16D, 16E, 22A, 22B, 26 and AA.

000148

9704383051 7

Peggy Fugal Advertising
930 North University Avenue, Suite 201
Provo, Utah 84601
(801) 377-6060

4 September 84

Karl Snow
1847 North Oak Lane
Provo, UT 84604

Dear Karl,

Thank you for your note. I, too, will be out of town for two weeks.

Regarding the balance due on your account with me: one printing invoice was left unpaid because I think you confused the paper printed for the buttons with the actual manufacture of the buttons. We had to deliver printed paper to the button manufacturer. Hence we had two button bills to pay: one for paper, one for button manufacturing. You paid the button manufacturing bill; you did not pay the button paper bill. You probably thought the invoices were redundant; I am not that careless in my bookkeeping.

But what concerns me more than that mix-up is your statement that the other unpaid invoice for creative time is not in accordance with our original agreement. I'd hate to think at this point that we would have such problems.

From the beginning, I agreed to work for you at a discount in exchange for media commissions. I am sure you will agree with that statement; I made it several times. What you may find confusing is the terminology.

I took a chance working at a discount in exchange for media commissions because I had no idea whether you'd get far enough to ever make media buys from which I could derive commissions. You did not. So I gambled and lost. I gave you 1/3 and 1/4 discounts on creative time in exchange for nothing -- but it is a chance I chose to take with all my political clients,

Creative time is the time I spend writing and coordinating the work we produced for you, plus the time my artist spends designing and pasting-up the work, plus the time my other staff members spend running it around, plus typesetting and stat bills, plus expenses like mileage and xeroxes. In reviewing the creative time invoice you will note I billed my time (called copy & coordination) at 1/3 my normal rates. I billed my artist's time (called design & artwork) at 1/4 his normal rates. I billed my staff's time at 1/4 their normal rates. And I billed buyouts (typesetting and camera work) and expenses at what I paid for them. All of that is in accordance with our agreement or it wouldn't have been billed that way.

9704383051-8

I am not making up these charges just to irritate you. It is what we agreed to and the same agreement by which I deal and have dealt with Congressman Nielson, Lee Farnsworth, Chuck Peterson, etc.

From the very beginning I asked if you wanted creative time billed monthly or at the end of the campaign. You had no preference so I billed it at the end of the campaign. Since I made no media commissions on you, I could have billed you at full rate, but in accordance with our agreement, I billed you at a discount.

At no time did I ever agree to work for free nor have I ever offered any political candidate such a deal. I would if I could, but I can't. My artist has to be paid. My staff has to be paid. My typesetting and camera bills have to be paid. I have paid all those bills and I need to be reimbursed by you as soon as possible.

I understand you and all candidates who have lost are in a severe financial bind after the campaigning ends. I will work with you. I will be kind and patient as is my nature. But please don't play games with me and confuse our agreement now that it's all over and I've paid your bills. There is absolutely no profit in what I have billed you, only expenses I need to recover. Our profit comes in the 1/3 and 1/4 I discounted you, as well as in the media commissions we never realized.

If you would care to check with Lee and Howard to verify, please feel free. We will talk when you return. I assure you everything is in order and as agreed.

Best regards,

Peggy Fugal

PF:aw
encl.

P.S. I have enclosed a breaktime of all our time and expenses to answer any further questions.

9704383051 9



SNOW FOR GOVERNOR

Support Committee

1055 West North Temple
Salt Lake City, Utah 84116
(801) 531-1984

Peggy:

Enclosed please find check to cover the one item we somehow overlooked and the sales tax that had not been previously billed. I applogize in as much as we had agreed to keep all billings current and as they were billed. Too, I apologize for the delay in taking care of this matter, but I simply didn't have the funds. You will note that the check is dated Sept. 27, please hold until Thursday so my personal check will reacn the bank for coverage.

I will be out of town again, off and on, but will try to touch base.

KARL

9704383052O

Co-Chairmen
Senator Warren E. Pugh
Raymond L. Hixson

Finance Chairman
Nelson "Ned" Williams

Campaign Secretary
Michael J. Bray

Campaign Coordinator
Ike Morin

Executive Support Committee
W. Hugnes Brockbank
Elanore Lee Brennan
Chris Johnson
Joseph Rosenblat
Richard VanWinkle
Mitchell Melich
Senator Wayne Sandberg
Senator Jack M. Bangerter
Phyllis Southwick
Ronald T. Halverson
J. Merrill Bushnell
Charles "Chuck" Peterson

KARL SNOW

Peggy:

I will be out of town for about two weeks on business. When I return I will check out the one account you indicate was not paid. If so I will personally borrow money to pay it as we agreed we would be prompt in paying your expenses in light of the fact you were willing to do work contingent upon my coming out of the convention. I will honor that committment.

As for the rest of the billing it does not fit with our original agreement and we need to visit further. The sad fact is that I did not come out of the convention, and even my efforts to get you part of the Marriott account failed. Even sadder is that both Marriott and Snow are badly in debt.

I will be in touch

KARL Karl

1847 North Oak Lane • Provo, Utah 84601

indicate no deaths or injuries to missionaries or church members or damage to church buildings."

Church officials should have a complete report on quake damage by tomorrow, he said.

The Office of Civil Defense said the Philippine Christian College collapsed in the provincial capital of Cabanatuan City. The city of more than 80,000 is 60 miles north of Manila and was near the epicenter.

The office said at least 34 people were killed in the city and outlying area, but earlier reports from the office had said 41 were killed in Cabanatuan. Officials in Cabanatuan said hundreds of students were unaccounted for, but it was uncertain how many were in the building when it collapsed.

In Baguio, 110 miles to the north, portions of several luxury hotels

(See QUAKE, Page A2)

Workers flee a building in Manila today as an earthquake struck.

Snow defends refusal to pay bill; admits being defendant in lawsuit

By PATRICK CHRISTIAN
Herald Staff Writer

Republican 3rd Congressional District aspirant Karl Snow defended not paying a campaign bill he said he didn't owe.

The alleged unpaid debt comes from his failed 1984 try for Utah governor.

While admitting he was a defendant in a 1982 lawsuit over a tire business, Snow also said he was, in fact, a victim.

The two incidents were brought to light earlier by Steve Densley — narrowly defeated at the state GOP convention in his own bid for the 3rd Congressional seat. The seat is being vacated by Republican Rep. Howard Nielson.

Densley told The Daily Herald information about Snow's two troubles had been passed to him at the state Republican convention in June from supporters of 3rd District GOP candidate John Harmer.

Densley, who has since thrown his support to Snow in his primary race against Harmer, called for a review of the finances of both Snow and Harmer by state GOP chairman Richard Snelgrove.

Snelgrove said last Thursday, that both Harmer and Snow had cooperated.

Speaking of Snow, Snelgrove said, "What you see is what you get."

He said Snow showed Snelgrove IRS and other financial records and went over the issues raised by Densley. Snelgrove said he found nothing remarkable.



Karl Snow

The Daily Herald also looked into the two incidents and studied other records relating to Snow.

It was discovered Snow has been involved as a plaintiff or defendant in at least five lawsuits — a couple only peripherally.

Allegations of unpaid campaign debts come from Peggy Fugal of Peggy Fugal Advertising of Provo.

Both Snow and Fugal agree that Peggy Fugal Advertising worked on Snow's 1984 campaign. Required state financial dislosure statements show that the Snow For Governor committee paid Fugal more than $8,555 during the campaign.

Snow said he entered into a verbal agreement with Fugal. He said the agreement called for Fugal to provide services at cost, plus her usual overhead if the Snow campaign would agree to give her exclusive contract for all media communications in the primary and general election. Snow lost his bid to be governor at the state convention.

Fugal said the verbal agreement also included a provision where her

(See SNOW, Page A2)

ts to restructure NASA

the space program back on track.

Space News, a weekly industry newspaper, said in today's edition that the restructuring "stems from concern that a lack of public support for space and federal budget pressures make it difficult for NASA to carry out its missions" and that the White House is concerned the problems are institutional, rather than technical.

The decision has not yet been made to convene a blue-ribbon panel of experts, the source said, but "if something is done, it will be done with a combination of outside and inside advice."

CBS News reported Saturday that the administration likely will name a panel of outside experts this week.

Until its recent problems, the National Aeronautics and Space Administration seemed to be recovering from criticisms following the 1986 Challenger explosion that killed seven astronauts.

The shuttle fleet was grounded after hydrogen leaks were discovered on space shuttles Columbia and Atlantis, but engineers have located the leaks and officials say they are easy to fix.

Also, NASA revealed that the $1.5 billion Hubble — launched April 25 — has a focusing flaw that has sharply reduced its usefulness.

Outside

Weather

Tonight and Tuesday fair to partly cloudy with a slight chance of thundershowers near the mountains, and a few gusty winds. Staying summer warm. See Page A2.

Air Quality

Today's air quality was listed as good in all areas of the Wasatch Front, and little change in pollution levels was expected. See Page A2.

Daily Herald home delivery, call 375-5103

000153

...nclude the savings and
... the administration
...e laying the ground-
...moving this giant ex-
...m the Gramm-Rud-
...tions, something that
...ers of Congress have

...istration blamed the
...ration in the deficit

...HL:

...ued from Page A1)
...tic Treaty Organiza-
...n unspecified transi-

...many and its NATO
...nsisted that a united
... a part of the west-

Gorbachev also an-
...reement on several
... including the size of
...rmy of a united
timetable for the
Soviet soldiers
...many.
...id the two sides,
tarted Sunday in
ontinued in Gor-
Stavropol region,
...to ease each oth-
bout the future of
...n the territory of
st Germany.
...viet troops should
rom East German
to four years after
...ited. The Soviets
...t 380,000 troops in

same period, the
...f a united Germa-
educed to 370,000
...id. The combined
...e East and West
...d forces is now
with West Germa-
...0,000 men.
... rights of the four
victorious powers
...ediately after uni-

Pollution

...ng information is taken
...atch Front air pollution
...ed by the Utah Bureau
...y. The complete report
...y telephone at 373-9560.
...as of 8 a.m. were as

...idential Areas
...TY .....good
.....good
.....good

...wntown Areas
.....good
.....good
.....good

...rall Air Clarity
...ty for today was good
... along the Wasatch

Outlook
...for little change ...

SNOW:

(Continued from Page A1)
creative time would be billed at the end of the campaign.

She said her creative time amounted to $3,357, and a bill for that amount was presented sometime after the state GOP convention.

She said repeated attempts to collect the bill were refused by the Snow's campaign committee.

Snow said the agreement called for all work to be billed as the work was done and that there was never any mention of a creative time billing that would be billed later.

Snow's public campaign disclosure statements do show a $1,000 donation from Fugal and the purpose listed was for "creative service."

Fugal said she did agree to work at a 25 percent discount as her donation to Snow's campaign, and said it amounted to about $1,000, the maximum, she said, the law allowed her to donate.

She said the discount was listed in her creative service bill to Snow.

Fugal said she has a difficult time understanding how Snow can agree with the donation listed on the bill and subsequently claim a $1,000 donation, but then refuse to pay the actual creative bill.

After being first contacted by Snow's press aide Clark Caras, Rep. Howard Nielson told The Herald that in his 1984 campaign he was satified with Fugal's work, but was dissatisfied with a bill for creative services the campaign ultimately received.

Nielson said they believe the bill was for similar things the campaign had already paid.

"In order to avoid any problems, we did make payment on this bill. But we chose not to secure her services in our 1986 and 1988 campaigns based on this billing procedure."

As for lawsuits, records at the 4th District Court state Snow became involved in Mountainland Distributors — a Utah general [illegible]nership importing tires from China — in 1980 as a partner with Mapleton psychiatrist Philip Washburn.

Several of the imported tires were placed through North American Tire Co. in Salt Lake City.

In June 1981, North American filed bankruptcy, and a Mountainland account owed to North American was assigned to Yokohama Tire Co., a California corporation.

Yokohama subsequently sued Mountainland Distributors, Snow and Washburn.

They lost the lawsuit and a judgment of more than $69,000 plus interest was ordered in January 1984 by U.S. District Judge David K. Winder.

In June 1984, Snow received a sheriff's notice that his house was for sale to pay the judgment in favor of Yokomama.

Washburn filed for Chapter 7 bankruptcy.

To save his home, Snow said, "We refinanced our home and my wife purchased the judgment." The judgment was $96,424, according to court records.

Snow told The Herald that he was a victim because he and Washburn had agreed to absolve their partnership before North American filed for bankruptcy and he should not have been involved after that.

He also said Washburn had agreed to hold him harmless.

Snow filed as a creditor in Washburn's bankruptcy case in U.S. Bankruptcy Court in Salt Lake City and won a judgment.

According to the Ethics in Government financial disclosure statement Snow filed as a congressional candidate, that judgment was no less than $50,000 and no more than $100,000, and has not been satisfied yet. But Snow said it may soon be paid.

Subsequently, in 1988 Snow filed a lawsuit in 4th District Court in Provo against Provo attorney Robert Moody, claiming Moody's representation, advising Washburn to file bankruptcy and failing to advocate Snow's hold harmless agreement damaged him. Snow is seeking more than $300,000 in the lawsuit.

Moody, who represented both Snow and Washburn in the original case and Washburn's bankruptcy, said he did not want to talk about his involvement with Snow.

In 1985, Snow was one of several defendants in a lawsuit filed by Utah Attorney General David L. Wilkinson and state treasurer Edward T. Alter.

The lawsuit, filed in the 3rd District Court of Utah, was directed against the Utah Technology Finance Corp. and its trustees. Snow was a trustee.

The corporation was established in 1985 by the Utah Legislature as an independent, non-profit corporation to invest or loan money to emerging high-technology businesses in order to create economic progress and employment opportunities within Utah.

Wilkinson argued that the corporation was formed unconstitutionally and said there were possible "improprieties" in the corporation, states the suit.

He also said certain trustees had conflicts of interests, but did not specify which trustees. However, the judge ruled in favor of the corporation and its trustees.

Snow, currently the president of the corporation, noted in his financial disclosure statement he was paid $4,800 in 1989 in consulting fees from the corporation and so far this year, he has been paid $375.

Contacted Friday, Snow said he was not president when the payments were made. He also said trustees and the president are voluntary positions and he said the payments did or do not represent a conflict of interest.

In 1981, along with Democrat Frances Farley, the Great Basin MX Alliance, Legal Defense Fund, Inc. and Citizen Alert, Snow was a plaintiff in a lawsuit filed in the U.S. District Court against President Ronald Reagan, the U.S. Air Force, James Watt and other individuals and entities.

The lawsuit was designed to force the government to conduct certain studies before being able to move ahead with with plans to base the MX Missile in Utah.

SOVIET:

(Continued from Page A1)
creating broad rights for journalists and publishers.

The press law gave non-government and non-party groups the right to own and operate newspapers and magazines, ending what effectively had been a decades-old monopoly held by Communist authorities.

Rather than appeasing popular opinion, however, greater media [illegible] has [illegible] fuel public

Mayor Gavriil Popov and Leningrad Mayor Anatoly Sobchak.

The protesters, estimated by a police officer and local television to number 50,000, shouted, "Down with the criminal Communist Party!" as they huddled under a sea of umbrellas.

"Every Communist to his own mausoleum!" read another poster, alluding to the mausoleum of Soviet founder Vladimir Lenin a few hundred yards away. Many Soviets regard Lenin as a deity, and thousands file through his

The Daily Herald
(I.S.S.N. #891-2777)
Second Class Postage Paid at Provo, Utah
U.S.P.S. ID #143-060
Published Daily by
SCRIPPS LEAGUE NEWSPAPERS, INC.
1555 North Freedom Blvd.
P.O. Box 717
Provo, Utah 84603-0717
KIRK PARKINSON, Publisher
N. LaVERL CHRISTENSEN
Editor/Editor Emeritus
1949 - 1989
POSTMASTER:
Send change of address to
The Daily Herald

9704830523
MAY 14

Dr. Percy G. Kalt
4089 Devonshire Circle
Provo, Utah 84604

Aug. 6, 1987

U. S. Probations Office
P.O. 847
Cheyenne, Wyoming 82004

ATTN: DAN FISHER

Dear Mr. Fisher:

The following are the facts you requested in our local fraud case involving Mr. Mike Strand:

Enclosed please find a copy of my check for $25,000.00 dated April 26, 1985. About one month prior to this date, Mr. Herbert Gleason brought Mr. John Darger of Midvale, Utah to my home, uninvited. They laid out a rather convoluted plan in which Global Oil stock (defunct) would be used to provide a "corporate shell" for Unique Battery Company. Mr. John Darger represented himself as president of this company. He showed me some battery tests and orders from several local and national firms. The stock was to show immediate gain.

Darger then took me to the Boston Building in Salt Lake City to visit Mike Strand, who told me that if I paid $25,000.00 for 7,000 shares, I could sell them in less than 30 days for at least 3 times their present value. I told him I had no money. Both Strand and Darger said it would be well worth borrowing the money from a bank, which I did.

Had I sold the stock immediately, I could have profited by $10,000.00, since Olson and Co. in Salt Lake City (David Floor, manager) assured me the stock was worth $5.00 per share. But Darger promised me another 25,000 shares in lettered stock to be given me in 60 days if I would not sell now. The lettered stock would become negotiable in one year. I did not receive the lettered stock until four months later after much badgering. Meanwhile, the stock had a steady decline from $5.00 to $.25. I had smelled a rat earlier when I saw that my check was endorsed by Mike Strand and Lyman Smart instead of someone from the battery company in which I supposedly invested.

Suddenly there existed a separation between Global Oil and Unique Battery (especially between Strand and Darger). The IRS closed the doors of the battery company, and Mike Strand held a meeting in which he obtained most of the existing stock of Global Oil.

9704383052 4

He also offered to sell stock for what seemed a high price. At this time I heard of other Strand activities, such as the demise of Citizens Bank of Ogden. Other people associated with Strand are; Jim Barber, Robert Routh, Newman Petty, Karl Snow, Lyman Smart, David Floor, Paul Pulman, Atlas Transfer Co., Frank Whitney, and others.

I continued to visit Strand many times, asking for my money back. He always refused. One day he said I was in luck and offered to trade 17,500 shares of Global Oil stock (including 10,500 shares belonging to Gleason) for 5,000 shares of Atlantic Mining stock (3433 Broadway Street, N.E. #445, Minneapolis, MN 55413 (616) 331-7777). He gave me beautiful brochures, showed a video tape and said the stock would shortly go from $1.00 to "the moon". He showed me a bottle of gold dust supposedly from that mine. A few weeks later, the Global Oil stock rose to $3.50 and the Atlantic Mining stock had sunk to $.25. I had been swindled twice!

Mike Strand had bragged to me that he owned six Jaguars and referred to my bank debt as a "piddling $25,000.00".

I hope this information will help you for your purposes.

Sincerely,

Percy G. Kalt

Percy G. Kalt
Professor of Music

9704383052525

ORIGINAL

UNITED STATES DISTRICT COURT
DISTRICT OF UTAH
CENTRAL DIVISION

FILED IN UNITED STATES DISTRICT COURT, DISTRICT OF UTAH
NOV 19 1987
GEORGE A. ZIMMER, CLERK
BY _____ DEPUTY CLERK

MICHAEL WILLIAM STRAND,	Case No. MAC 82-1230
Plaintiff,	SALT LAKE CITY, UTAH
	July 14, 1987
vs.	9:30 a.m.
UNITED STATES OF AMERICA,	
Defendant.	

VOLUME I, PART II
TRANSCRIPT OF TRIAL
BEFORE THE HONORABLE J. THOMAS GREENE
UNITED STATES DISTRICT JUDGE

APPEARANCES:

For the Plaintiff:
JOHN T. CAINE, ESQ.
Richards, Caine & Richards
2568 Washington Blvd., Suite 200
Ogden, Utah 84401

D. FRANK WILKINS, ESQ.
Moss & Wilkins
250 E. 3rd S. Suite 100
Salt Lake City, Utah 84111

For the Defendants:
STEWART WALZ, ESQ.
Assist. U. S. Attorney
350 S. Main Street
Salt Lake City, Utah 84111

Court Reporter:
REEVE M. BUTLER, RPR
Official Court Reporter
Rm. 224 Federal Bldg.
350 S. Main Street
Salt Lake City, Utah 84101

Proceedings recorded by mechanical stenography, transcript produced by dictation.

PENGAD/WEST, FRESNO, CA 9704383052 8

Q And are you acquainted with the petitioner in this case, Michael Strand?

A I am.

Q And how are you acquainted with him and when did you begin to be connected with him?

A My recollection is it's been about four years. I came to know him through a mutual friend who asked me to take a look at some papers that he was troubled over and he was interested in and that's how we became acquainted.

Q All right. That would have to go back to about 1983, is that correct?

A That's correct.

Q And --

A Maybe '82; at the end of '82.

Q You were not present or involved in any way when Mr. Strand was tried in United States District Court in October of 1978 on --

A No, sir, nor did I know him.

Q Were you in 1983 also acquainted with Brent Ward, the United States Attorney for the District of Utah?

A Did I see him?

Q Were you acquainted with him first of all?

A Yes, I was.

Q And how were you acquainted with him?

A Well, I know him only casually but I was acquainted with him

PENGAD/WEST, FRESNO 9704383052 7

Q Have you gone down to the clerk's office and seen what exhibits were actually introduced into evidence?

A I have been to the clerk's office. I'm not sure that I've seen everything that was introduced into evidence. I couldn't answer affirmative on that.

Q Now the basis of your assertion is that Mr. Strand or his representatives have told you that he didn't get certain documents, is that correct?

A No, not entirely. I was told by the mutual friend that we've indicated that he thought there was a gross miscarriage of justice and asked if I would take a look at various documents with him which I did.

Q And you represented to Mr. Ward that these documents were not turned over to Strand's counsel at the time of the trial?

A I did not represent that. I raised questions in the brief as I read the transcripts from the trial and then read these various documents that there seemed to be great inconsistencies.

Q My question is - let me ask it this way. You contend in letters that documents were not turned over to Strand's counsel?

A That would appear to be the case from documents that I read and from transcripts of the trial, yes.

Q And have you reviewed the evidence that was turned over to Mr. Strand and his counsel?

A I reviewed all the material that is now in the so-called green file plus the transcripts of the trials and hearings, yes.

PENGAD/WEST, FRESNO, CA 9704383030528

Q What is your basis for the assertion that some of the materials in the green file was not turned over to Strand's counsel?

A Well, I have no knowledge as to whether it was turned over to his counsel per se.

Q Thank you. By the way, have you ever had any business dealings with Mr. Strand?

A Uh, no.

Q Ever possessed or owned any stock that Mr. Strand had sold or promoted?

A Yes. I have purchased, never sold.

Q And the purchase of that stock was when?

A I believe in 1985.

Q What was the name of that stock?

A Classic Oil. I do have some stock.

Q And that was stock that Mr. Strand had promoted?

A I believe he is involved with it, yes.

MR. WALZ: No further questions.

MR. CAINE: I have nothing further.

May this witness be excused?

THE COURT: All right. Mr. Snow, thank you. You may be excused.

MR. WALZ: Your Honor, perhaps we could save some time. It was my understanding that the Court ruled that the testimony of Mr. Floor would be hearsay also to what Mr. Jensen

PENGAD/WEST, FRESNO, CA 9704383052 9

weight. A number of Strand's original offerings were either withdrawn or were not admitted into evidence.[4] Further, a great number of items provided in the green folder are not themselves alleged to be Brady material, new evidence, or otherwise exculpatory.[5] They are, rather, documents provided to show the

---

24A - Summary of Criminal Files, U.S. Attorney Max Wheeler, by Rand M. Elison, dated 05/01/78 ("Martin File Summary");

24B - Appendix - Schedule of C. Martin stock sales ("Schedule of Martin Stock Sales");

24C - Court docket sheet, NCR78-16;

25A - Memorandum to the District Director of Internal Revenue (recommending prosecution of Michael Strand) ("Prosecution Memo");

25B - Affidavit of Gary Ramsey, dated 03/14/83, and Memorandum of Interview of Gary Ramsey, dated 08/25/77, taken by Patti Danks;

25C - Testimony Chart of D. Yeaman;

26 - Transcript of hearing, held 09/22/78 in United States v. Strand, CR78-91;

AA - Motion for Reduction of Sentence, in United States v. Bruce A. Jensen, CR76-114;

Exhibit 2 - Affidavit of Kenneth Dean Pace, dated 04/76 ("Pace Affidavit");

Exhibit 3 - Associated Underwriter's Account Card - Carl Martin ("Martin Account Card") and, handwritten notes;

Exhibit 4 - Letter from Brent D. Ward to Karl N. Snow, dated 02/20/85;

Exhibit 6 - Letter from Brent D. Ward to Karl N. Snow, dated 04/15/85;

Exhibit 7 - Letter from Karl N. Snow to Brent D. Ward, dated 03/27/85;

Exhibit 8 - Same as Exhibit 4;

Exhibit 10 - Letter from Karl N. Snow to Brent D. Ward, dated 12/19/84;

9704383050

importance of the exculpatory documents. In his petition Strand explains that the exculpatory documents were "assembled in the 'green folder' in an attempt to make their indivfdual significance easily apparent in the context of the other trial evidence." Petition for Writ of Error Coram Nobis, at 10 (emphasis added). Among these "supporting documents" are excerpts of testimony witnesses gave at trial and other hearings, memorandums, previous decisions of this court, and other documents which appear in the various files. These documents were admitted into evidence without objection, and they are, for the most part, the kinds of things of which the court could simply take judicial notice. Since there is no allegation that

---

Exhibit 12 - Letter from Brent D. Ward to Karl N. Snow, dated 11/21/84;

Exhibit 13 - Letter from Karl N. Snow to Brent D. Ward, dated 09/17/84;

Exhibit 14 - Note "Keep from Strand";

Exhibit 15 - Affidavit of David Floor, dated 12/18/84;

Exhibit 16 - Associated Underwriter's confirmation slip, dated 07/31/75.

[4] A total of twenty items were either withdrawn or were not received because they lacked of relevance, foundation or simply were not evidence. In the green folder this included the following numbered items: 7, 9E, 10, 12, 14, 15A, 15B, 17, 18, 19, 20, 25B and 25C. Plaintiff's exhibits 5, 8, 9, 11, 13, 14 and 16 were also withdrawn or excluded.

[5] The court has found a total of nineteen items to be "supporting documents." They include only the following numbered items from the green folder: 3A, 3B, 4B, 4C, 6, 8, 9C, 9D, 11, 13, 16A, 16B, 16C, 16D, 16E, 22A, 22B, 26 and AA.

000162

9704383053 1

A. I am satisfied that these documents as well as any others now contained in the IRS files were in the files before the trial and were accessible to Strand's counsel --

Q. Okay. Stop right there. Thank you. Did you have any further communication with Mr. Ward after the receipt of the letter in April in which he basically says he considers the case closed?

A. I'm not -- I do not recall any written communications with Mr. Ward following that occasion.

Q. All right.

A. Or that letter.

MR. CAINE: Thank you. That's all I have.

THE COURT: All right. Do you have any questions?

MR. WALZ: May I have Exhibit 10, please. Let me have just a moment, Your Honor.

THE COURT: Yes.

CROSS EXAMINATION

BY MR. WALZ:

Q. So the record is clear, Mr. Snow, you are not a lawyer, is that correct?

A. That is correct.

Q. And have you looked at all the exhibits that were introduced at the trial of this case?

A. When you say all, I have a difficult time answering yes, but all that I could get my hands on, yes.

9704383053 2

PENGAD/WEST, FRESNO

Number

Shares

000164

GLOBAL OIL COMPANY

INCORPORATED UNDER THE LAWS OF THE STATE OF UTAH

This Certifies that **HERBERT L GLEASON**

SEE REVERSE FOR CERTAIN DEFINITIONS

CUSIP 379902 10 9

is the registered holder of **SEVENTEEN THOUSAND FIVE HUNDRED**

FULLY-PAID AND NON-ASSESSABLE SHARES OF THE COMMON STOCK OF THE PAR VALUE OF FIVE CENTS ($.05) EACH, OF

GLOBAL OIL COMPANY

transferable on the books of the Corporation by the holder hereof, in person or by duly authorized attorney, upon surrender of this certificate properly endorsed. This certificate is not valid until countersigned by the Transfer Agent and Registrar.

Witness the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.

Dated: 10-31-85

GLOBAL OIL COMPANY CORPORATE SEAL UTAH

Paul Pulsman
SECRETARY

F. M. Whitney
PRESIDENT

TRANSFER AGENT AND REGISTRAR
ATLAS STOCK TRANSFER CORPORATION
5959 SOUTH STATE STREET
SALT LAKE CITY, UTAH 84107
COUNTERSIGNED AND REGISTERED
BY
AUTHORIZED SIGNATURE

5056

9704383053 3

INCORPORATED UNDER THE LAWS OF THE STATE OF UTAH

047703107

NUMBER 5689



SHARES **5,000**

000165

ATLANTIC MINING CORPORATION

50,000,000 SHARES AUTHORIZED $.001 PAR VALUE NON-ASSESSABLE

This Certifies that **KRAY & CO**

is the record holder of **FIVE THOUSAND**

[redacted]

ATLANTIC MINING CORPORATION

transferable on the books of the Corporation in person or by duly authorized attorney upon surrender of this Certificate properly endorsed. This Certificate is not valid until countersigned by the Transfer Agent and registered by the Registrar.

Witness the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.

Dated: 7-10-86

Atlantic Mining Corporation CORPORATE Seal UTAH

Glenna M Price
SECRETARY

Charles C Rockholz
PRESIDENT

970438305334

NOT NEGOTIABLE

991000

NOTICE: Signature must be guaranteed by a firm which is a member of a registered national stock exchange, or by a bank (other than a savings bank), or a trust company. The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations

TEN COM — as tenants in common
TEN ENT — as tenants by the entireties
JT TEN — as joint tenants with right of survivorship and not as tenants in common

UNIF GIF MIN ACT — Custodian (Cust) (Minor) under Uniform Gifts to Minors Act (State)

Additional abbreviations may also be used though not in the above list

For Value Received, _____ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

_____

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

_____

_____

_____ Shares

of the capital stock represented by the within certificate, and do hereby irrevocably constitute and appoint

OLSEN & COMPANY

_____ Attorney

to transfer the said stock on the books of the within named Corporation with full power of substitution in the premises.

Dated _____ Jul 24 1996

Dated

_____

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT, OR ANY CHANGE WHATEVER.

We hereby irrevocably constitute and appoint _____ our substitute to transfer the within named stock under the foregoing Power of Attorney, with like power of substitution.

Date _____

OLSEN & COMPANY

By _____

Authorized Signature

9704383055

DOMINICK & DOMINICK.
INCORPORATED

MEMBERS
NEW YORK STOCK EXCHANGE, INC.
AMERICAN STOCK EXCHANGE

63 NORTH 300 EAST
PROVO, UTAH 84601

EST. D 1870

P. O. BOX 2149
PROVO, UTAH 84603-2149
(801) 375-4777

1 November 1985

Mr. Percy Kalt
4089 Devonshire Circle
Provo, UT 84604

Dear Mr. Percy:

Following the instructions of Mr. Herbert Gleason we will deliver to you a stock certificate for 17,500 shares of Global Oil Company, together with a stock power signed by Mr. Gleason for the same, when we receive the newly issued certificate which is now with the transfer agent. The certificate will be issued in Mr. Gleason's name, but the stock power will make it negotiable for you.

At this time, we can not confirm how soon we will be receiving the certificate, but we have instructed our New York Office to send the certificate to our office rather than Mr. Gleason's home so that we will maintain possession until we delvier it to you.

If you have any further questions about this matter, please call.

Sincerely,

Gaylord K. Swim
Manager

9704383056

DEFENDANT'S EXHIBIT
#4
6477
10-22-84

August 28, 1986

By mutual agreement this day, Percy Kalt and Mike Strand do exchange seventeen thousand five hundred (17,500) shares of Global Oil stock, number 4976, for Five thousand (5,000) shares of Atlantic Mining stock, nomber 5689.

Percy Kalt

Mike Strand

9704383053537

UNIQUE INDUSTRIES. INC.

a Utah corporation

Notice of a Special Meeting of Stockholders

To be Held on Friday. February 7. 1986

TO THE STOCKHOLDERS OF UNIQUE INDUSTRIES. INC.:

A special meeting of the stockholders of Unique Industries. Inc.. the "Company " will be held on Friday. February 7. 1986. at 2:00 p.m. in Parlor Three. at the Salt Lake Hilton Hotel. 150 West 500 South. Salt Lake City. Utah. At the meeting. called by the written demand of the undersigned holders of more than 10% of the outstanding shares of the corporation. the following matters will be submitted to a vote of stockholders:

1. A resolution to authorize and direct the President and Secretary of the corporation to amend the Articles of Incorporation to provide for authorized capital of $300.000 divided into 6.000.000 common shares of five cents ($.05) as opposed to $1.000.000 divided into 20.000.000 common shares of five cents ($.05) as authorized at the last meeting of stockholders. and to restore to the corporation its former name. to-wit: Global Oil Company.

2. A resolution to authorize and direct the officers of the corporation to take all measures including legal action to rescind the prior acquistion of 100% of the outstanding shares of Unique Battery Systems. Inc. and to recover and cancel the 13.759 176 shares of this corporation issued in the exchange.

3. A resolution to elect the following persons as directors of the corporation to serve for one (1) year or until their successors shall have been elected and qualify:

FRANK WHITNEY
PAUL PULLMAN
RONALD HARRINGTON

To assure representation at the meeting of a sufficient number of shares to transact the foregoing business. we will appreciate your signing and returning the enclosed proxy immediately whether or not you expect to attend

9704383058

the meeting. The giving of your proxy will not impair your right to vote in person should you decide to attend the meeting. The proxy will be voted in accordance with the instructions of the stockholders; but if no instructions are given the proxy will be voted in favor of each of the foregoing resolutions and will be voted at the discretion of management as to any other resolution which may properly come before the meeting.

Enclosed you will find a self-addressed envelope for your convenience in submitting your proxy.

BY DEMAND OF THE UNDERSIGNED HOLDERS OF MORE THAN 10% OF THE OUTSTANDING SHARES OF THE COMPANY

Frank W. Ludwig — Lyman F. Smart

Carl Robb — Paul N. Arnold

Leigh Stewart

Ross Stuart

9704383053 9

PLAN AND AGREEMENT OF REORGANIZATION

GLOBAL OIL COMPANY, a Utah corporation, (hereinafter sometimes called "buyer"), UNIQUE BATTERY SYSTEMS, INC., a Utah corporation, (hereinafter sometimes called "U.B.S.I."), and Twenty-three natural persons who are the individual owners of all the issued and outstanding shares of U.B.S.I., (hereinafter sometimes called "Sellers"), hereby agree as follows:

ARTICLE I

PLAN OF REORGANIZATION

Plan Adopted

Section 1.01: A plan of reorganization of Buyer, U.B.S.I., and Sellers is adopted as follows:

a. Sellers will transfer to Buyer all of their right, title and interest in and to 45,864 common shares of U.B.S.I. comprising one hundred percent (100%) of the issued and outstanding shares thereof, pursuant to the terms and conditions hereinafter set forth.

b. In exchange for the shares transferred by Sellers pursuant to this agreement, Buyer will cause to be issued and delivered to Sellers pro rata to their ownership of shares of U.B.S.I., Thirteen million, seven hundred fifty-nine thousand, one hundred seventy-six (13,759,176) shares of Buyer's five cent ($.05) par value common stock, to be delivered at the close. The 13,759,176 shares of Buyer to be issued cumulatively to Sellers shall constitute not less than 81.2% of the total shares of Buyer which will be

9704383054O

outstanding immediately after closing. The said common stock of Buyer shall, when issued, be validly authorized and issued, fully paid and non-assessable.

Closing Date

Section 1.02: This plan of reorganization shall be closed and consummated when signed by all the parties. The date of such consummation is the "closing date" or "closing" as referred to herein. "Final Closing" shall occur when this agreement has been ratified by a majority of the outstanding shares of Buyer.

ARTICLE II.

COVENANTS, REPRESENTATIONS AND WARRANTIES OF BUYER

Legal Status

Section 2.01: Buyer is a corporation duly organized, validly existing and in good standing under the laws of Utah with lawful power to conduct all businesses in which it is engaged in all jurisdictions in which it is found.

Section 2.02: Buyer has an authorized capitalization of 6,000,000 common shares of five cent ($.05) par value. Prior to or contemporaneously with the final close, its capital will be $1,000,000 divided into 20,000,000 common shares of a par value of five cents ($.05) per share. There are now and will be at closing not more than 3,176,000 such shares outstanding. Buyer warrants that there will, immediately after the closing of this agreement, be not more than 16,935,176 common shares of Buyer outstanding.

9704383054 1

There are no further contracts or other documents requiring the issuance of further shares of Buyer. There are no outstanding options, warrants or securities convertible into common stock of Buyer.

Financial Condition

Section 2.03: The unaudited financial statement of Buyer as at December 31, 1983, attached hereto as Exhibit I, fully and accurately represents the financial condition of Global Oil Company at the date indicated. There are not, and will not have been any material changes in such financial condition from that date to the date of closing.

Performance Not Violative of Any Instrument

Section 2.04: The performance by Buyer of its obligations under this agreement will not result in any breach of the terms or conditions of, or constitute a default under, any agreement or instrument to which Buyer is a party, or by the terms of which Buyer is bound.

Material Contracts

Section 2.05: Buyer is not, and at the closing date will not be a party to, or bound by any material, oral or written contract for the employment of any officer or employee or commitment for any special bonus, compensation or severance pay; or any pension, profit-sharing, retirement or stock purchase plan with its employees or others; or any contract with any labor union.

9704383054 2

Litigation

Section 2.06: There are not now, and at the closing there will not be any material claims, actions, proceedings or investigations pending or threatened against Buyer in any court or regulatory agency, nor any orders, writs or injunctions issued out of any such court or agency affecting Buyer.

Taxes

Section 2.07: Buyer does not owe any state, federal or local taxes and has filed all tax returns required to be filed by it excepting those related to accrued taxes for the current year, filings on which are not yet due.

Securities to be Issued

Section 2.08: The shares of Buyer to be issued pursuant to this agreement are of five cent ($.05) par value and have equal voting rights as all other shares of Buyer outstanding. Sellers hereby acknowledge their awareness that the said shares will not, when issued, have been registered under either the Securities Act of 1933 or under the Uniform Securities Act of any state; but are being issued in reliance on the exemption from federal registration provided by Section 4(2) of the Securities Act of 1933 for transactions not involving any public offering and from state registration by applicable isolated transaction exemptions. In connection therewith, Sellers individually acknowledge, warrant and represent as follows:

9704383054 3

a. They have received and reviewed, as to Buyer, certain information prepared by Buyer pursuant to Rule 15c2-11 of the Exchange Act, including financial statements.

b. Sellers are persons of sufficient business experience to evaluate this transaction. Each Seller is financially able to bear the risk of his investments in Buyer's common shares.

c. Each of the Sellers is purchasing Buyer's shares for his own account, for purposes of investment and not with a view to distribution.

d. Each Seller consents to the placement on each certificate representing his shares of Buyer of a standard form investment legend stating that the shares are not registered under the Securities Act of 1933 and cannot be sold, hypothecated or transferred without registration or under an appropriate exemption from registration. Each Seller acknowledges his familiarity with Rules 144 and 237 of the S.E.C. which generally govern resale of restricted securities. Each Seller further concedes that Buyer has not represented, directly or indirectly, that the exemption provided by either rule will ever be available to him or his assignees.

e. Each Seller hereby consents to the placement of "stop-transfer" instruction as to all shares issued to him hereunder.

9704383054 4

ARTICLE III

ACCESS TO BUSINESS RECORDS OF BUYER PENDING THE CLOSING

Section 3.01: Buyer will afford Sellers or their accredited representatives, pending closing, full access during normal business hours to all properties, books, accounts, contracts, commitments and records of every kind of Buyer.

Section 3.02: In addition, Buyer will permit Sellers to make extracts or copies of all such documents and to supply such additional information or material as may be reasonably necessary to fully inform Sellers of the condition of Buyer. Each Seller agrees to hold and use all such information in confidence.

ARTICLE IV

COVENANTS, REPRESENTATIONS AND WARRANTIES OF UNIQUE BATTERY SYSTEMS, INC.

Legal Status

Section 4.01: Unique Battery Systems, Inc. is a corporation duly organized, validly existing and in good standing under the laws of Utah with lawful power to conduct all business in which it is engaged, and in all jurisdictions in which it is found.

Section 4.02: There are now and will be at closing not more than 45,864 common shares outstanding in the hands of not more than twenty-three registered and/or beneficial holders.

9704383054 5

U.B.S.I. is not under any obligation, contractual or otherwise, to issue any additional stock, or securities convertible into stock, and there are outstanding no options, warrants or securities convertible into common stock of U.B.S.I..

Financial Condition

Section 4.03: The consolidated financial statement of U.B.S.I., attached hereto as Exhibit II, fully and accurately represents the financial condition of U.B.S.I. at the date indicated. There have been no material changes in such financial condition from that date to the date of closing, except those arising from the ordinary conduct of its business.

Performance Not Violative of Any Instrument

Section 4.04: This plan and agreement of reorganization will not result in any breach of the terms or conditions of, or constitute a default under, any agreement or instrument to which U.B.S.I. is a party, or by the terms of which it is bound.

Material Contracts

Section 4.05: U.B.S.I. is not, and at the closing date will not be a party to, or bound by any material, oral or written contract for the employment of any officer or employee or commitment for any special bonus, compensation or severance pay; or any pension, profit-sharing, retirement or stock purchase plan with its employees or others; or any contract with any labor union.

Litigation

9704383054 6

Section 4.06: There are not now, and at the closing there will not be any material claims, actions, proceedings or investigations pending or threatened against U.B.S.I. in any court or regulatory agency, nor any orders, writs or injunctions issued out of any such court or agency affecting U.B.S.I.

Taxes

Section 4.07: U.B.S.I. does not owe any state, federal or local taxes and has filed all tax returns required to be filed by it except accrued taxes for the current year as to which filings are not yet due.

ARTICLE V

CONDUCT OF BUSINESS OF UNIQUE BATTERY SYSTEMS, INC. PENDING THE CLOSING

Section 5.01: U.B.S.I. shall be entitled to conduct its regular and ordinary business pending the closing.

Section 5.02: U.B.S.I. will afford Buyer and its accredited representative, pending closing, full access during normal business hours to all its properties, books, accounts, contracts, commitments and records of every kind.

Section 5.03: In addition, U.B.S.I., will permit Buyer to make extracts or copies of all such documents and to supply such additional information or material as may be reasonably necessary to fully inform Buyer of the condition of U.B.S.I. Buyer agrees to hold and use all such information in

9704383054 7

confidence.

ARTICLE VI

LEGAL OPINIONS

Section 6.01: The obligations of the parties hereunder shall be, at their individual discretion, subject to their respective receipt of opinions of their counsel in form satisfactory to them to the effect that the shares of stock to be delivered hereunder will, when delivered, be validly issued, fully paid and non-assessable voting shares of the other party after delivery pursuant hereto.

ARTICLE VII

MISCELLANEOUS

Section 7.01: Notices. Any notice or other communications required hereby shall be deemed delivered when deposited in the United States mails for transmittal by certified or registered mail, postage prepaid, return receipt requested, addressed to the respective corporate and individual parties hereto as set forth on Exhibit III hereof.

Section 7.02: Entire Agreement Counterparts. This instrument and the exhibits and schedules hereto contain the entire agreement of the parties. It may be executed in any number of counterparts, each of which shall be deemed original, but such counterparts together constitute only one and the same instrument.

9704383054 8

Section 7.03: Controlling Law. The valididity, interpretation of terms and performance of this agreement shall be governed by and constructed under the laws of Utah .

WHEREFORE, we have set our hands hereunto this 5 day of February, 1985.

GLOBAL OIL COMPANY

President

ATTEST:

Secretary

UNIQUE BATTERY SYSTEMS, INC.

President

ATTEST:

Secretary

SELLERS:

9704383054 9

Soren Eskel Peterson

Abel R. Reynolds [illegible]

Paul B. Allman

Kare N. Snow, Jr.

[illegible]

[illegible]

Kerri Randell

[illegible]

Frank M. [illegible]

9704383U550

US D Court UTAH Docket # CR-78-91
Jan 10 79

Jan 23 79 decision

US ATTY
307
772-2124

US D Court Wyoming
Aug 26 '87

Docket # CR86-0063-02J

US Dist Court Middle Dist of Tenn
Nashville Nashville Division
Sept 23, 1985
civil action # 385 1133

9704383055J

Citizens Reques[redacted]amble Documents

Utahns for Ethical Government have requested from Karl Snow the supporting documuments of the Bramble Report. "Snow contracted to have Mr. Bramble report on four carefully worded questions. We need to look where Bramble didn't report." said Scott Norton, spokesman for the citizens group.

"Mr. Snow says that the Bramble report clears him of "any tax liability, wrong doing, or financial impropriety." " I doubt if Mr. Bramble would like to go on record as saying that his report clears Mr. Snow of all, tax liability, wrong doing, or financial impropriety." , said Mr. Norton.

"The areas that Mr. Bramble could report on were carefully limited by his contract with Mr. Snow." said Mr. Norton "The report itself states that "...it is beyond the scope of this investigation to reach conclusions as to the nature of the relationship between Karl Snow and Michael Strand.""

"The voters need to know:

What is the nature of the relationship between Karl Snow and Mike Strand, a twice convicted felon?

There are over 20 Mike Strand penny stock companies that were not investigated. What is Karl Snow's involvment with them?

Why do investors say Karl Snow was actively involved in promoting Mike Strand's penny stock company?

"I met with Mr. Bramble yesterday and I was very impressed with his ability. I can't say that he is not qualified to do a report.
I am saying that Mr. Snow worded his contract to limit the scope of the report. I have a great deal of respect for Mr. Bramble's ability." said Mr. Norton.

"Karl Snow's campaign manager said we could not have the documents. He said most of what you wnat is public go find it yourself. He said it might be possible to review the documents, but we would have to pay Mr. Brambles fee of $120 per hour." said Mr. Norton. "We can't do that, but we will request a list of the documents used to support the Bramble Report."

9104383055 2

The Phantom of



A specter is haunting Utah—the hungry specter of investment fraud. The latest apparition appeared in the form of C. Dean Larsen and his bankrupt Granada, Inc. ■ His profile resembles dozens of Utah promoters who preceded him: trusted, well-connected, and—more often than not—devout Mormon. For decades Utah officials and law enforcers have battled both the reputation and reality of endemic fraud in a state where most families can ill-afford to lose money. Currently a new, federally-backed task force is determined to exorcise the phantom that has eluded earlier efforts. But no one fighting fraud in Utah is naive about this peculiar specter's talent to materialize anywhere—to encompass the unsuspecting faithful, to entice

000184

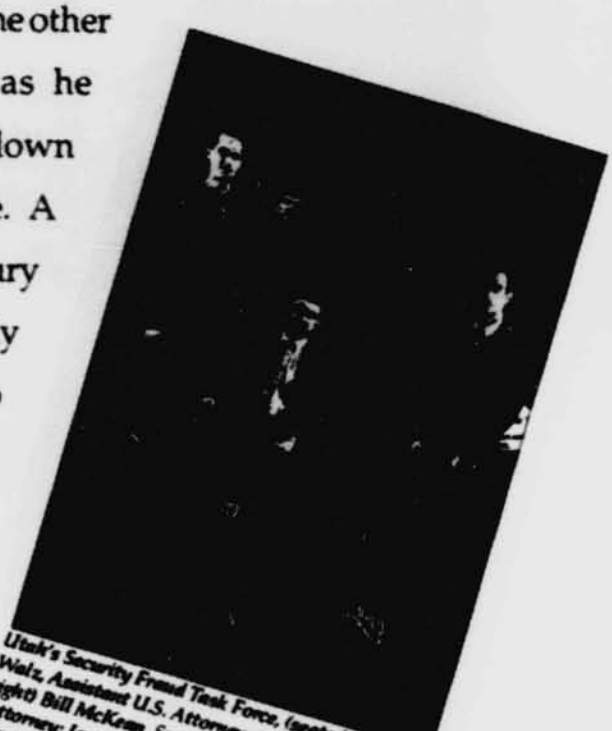
9704383053



WHY IS UTAH ITS FAVORITE HAUNT?

by Lynn Packer

the struggling family, or to attract mid-level or even high officials of the Church of Jesus Christ of Latter-day Saints. It feeds on trust in other Mormons' goodness and proclaims the right of the righteous to prosper—both qualities ingrained in Mormon culture from the beginning. ■ Larsen's Granada investors lost tens of millions in projects like trailer parks and apartment complexes. They believed in Larsen; Larsen, on the other hand, lied to them as he poured their money down the Granada rat hole. A Third District Court jury convicted Larsen last July of 18 felony counts of securities fraud. He's slated to stand trial for another six counts December 4. ■ "My client believes at no time did he commit a crime," attorney Larry Keller said of Larsen even after the conviction. ■ At least one prosecutor noticed that Larsen looked particularly stunned when the verdict was read. Larsen's denial of dishonesty—let alone criminal behavior— also fits the familiar profile. This community pillar may have taken



Utah's Security Fraud Task Force, (seated) Stewart Walz, Assistant U.S. Attorney; (standing, left to right) Bill McKean, Special Assistant U.S. Attorney; Jay Smith, Utah Securities Division Investigator/Analyst; Patti Danks, IRS Special Agent; Mary Beth Walz, Special Assistant U.S. Attorney; Steve Collins, FBI Special Agent. Unavailable for photo Bill Ryan, Assistant U.S. Attorney; Jeff Mc Kinney, FBI Special Agent.

000185

premature comfort in the fa[illegible] friend, J. Gary Sheets, had been acquitted of 34 fraud charges a year earlier at a federal trial in connection with the failed CFS Financial Corp. Indeed, while the jury deliberated, Sheets was in the courtroom giving Larsen hugs of encouragement.

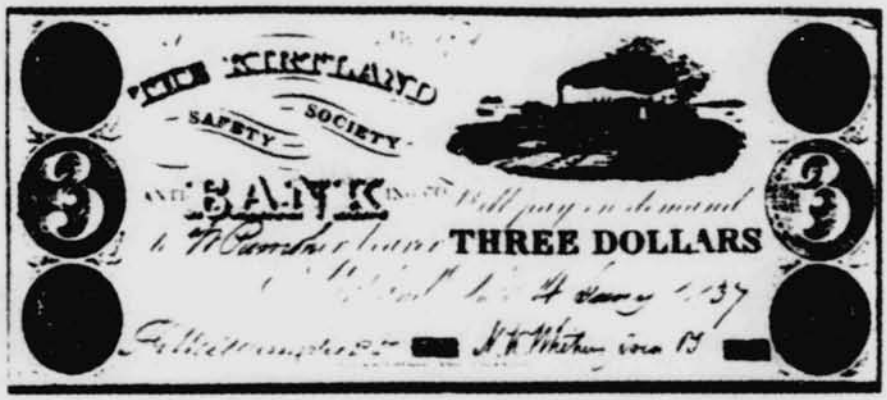
During jury deliberations, state investigator Mike Hines said the courtroom exhibited "kind of a jovial atmosphere," as Sheets and others comforted Larsen. Keller denies the mood was festive. "If there was a smile, it was a nervous smile," he told *Utah Holiday*.

The defense counsel, along with many of Larsen's friends, blame Granada's failure on the economy, not fraud. Judge Leonard Russon disagreed, sentencing Larsen to nine years imprisonment, and added his opinion of the evidence: "This has not been a case of negligence and poor management. This has been a criminal case."

well have to confront these questio[illegible] if it is to uproot fraud rather than merely contain it. Culturally Utah is dominated by the LDS Church whose actions appear contradictory even when we examine a single fraud. Take the AFCO case as an example. Both AFCO chairman Grant Affleck in 1984 and AFCO president Carvel Shaffer in 1987 were convicted of securities fraud. The church excommunicated Affleck, once a bishop. But Shaffer, once a high councilman, retained his membership. The only apparent difference is ironic since church policy encourages confession: Affleck admitted cheating investors; Shaffer denied it.

Later when the pair served prison terms, another difference emerged. Federal Judge David Sam sentenced Shaffer to eight years, but fourteen months into the prison term, Sam released Shaffer. U.S. Attorney Brent Ward blasted Sam for a key transaction. Affleck, however, testified that Shaffer knew of all major transactions, that he and Shaffer "prayed about [the business], fasted about it, attended the temple together, and determined we could get through it." Affleck was paroled last year after serving more than four years of a 10-year sentence.

One would expect that a culture dominated by a religion that emphasizes thrift and honesty would be more thrifty and more honest than average. For a fact Utahns are much less thrifty than average, as shown by national studies of personal savings patterns. Are Utahns in general and Utah business promoters in particular less honest than average? That's harder to prove statistically. What's easy to document is that when outsiders look at Utah, they see the ghost of fraud hovering over the state.



UTAH HISTORICAL SOCIETY

FRAUD CAPITAL REPUTATION

As early as 1969 the *Wall Street Journal* called Salt Lake City "a locus for shell operations." The August 15 article said: "The shell game is the practice of companies or individuals purchasing the corporate shells of defunct concerns, then using the shells as holding companies for other assets." The advantage, said the *Journal*, was that promoters could begin promoting stock by using a shell that is already incorporated, has shares outstanding, and provides a list of stockholders. It was "an attractive route for easy money" for unscrupulous promoters.

The phantom footprints of members fleecing members can be tracked through time nearly to the day worshippers organized themselves economically.

Is Larsen's perceived goodness an illusion? Almost by definition doesn't a man who wrote personal checks to assist neighbors in his Ensign Peak LDS ward, a man who continued to serve in that ward's high priest group leadership even after the fraud conviction, defy a propensity for criminal behavior? Not to mention the fact Larsen once worked for the LDS Church itself as general counsel in Europe, extending his contacts with prospective Mormon investors. Is the churchy image purposeful and Machiavellian as prosecutor Mark Griffin suspects? "Every good salesman knows to build up a reputation by ostensible good works," Griffin said. Or are some pious perpetrators so morally confused that they *know* their church is true but don't *know* the simple difference between right and wrong?

Utah, as a society and as a culture, may his decision and threatened to appeal it. At that point, Senator Orrin Hatch, Sam's one-time missionary companion, rushed to the defense of the judge whose federal appointment Hatch had spearheaded. Hatch said he knew Shaffer as "a very good church-going person." Hatch told *The Salt Lake Tribune*, "my experience with Carvel was that he was a very high-minded person, a very nice guy." Besides, Hatch went on, his friend was convicted in the "rotten, lousy area of security law. When you get into this area of security law, the best of people can be caught up."

Hatch blamed Affleck for Shaffer's disgrace, depicting Affleck as someone "who clearly is a real crook." Shaffer had sworn ignorance of AFCO methods used to swindle 650 investors, and could not remember signing a document related to

Then in 1974 the infamous "stock-fraud capital" moniker was awarded Salt Lake City in a page one *Wall Street Journal* article on February 25, 1974. The headline: "Dubious Distinction; Salt Lake City Gains Reputation for Being a Stock Fraud Center." The piece said "con men flourish in a speculative atmosphere akin to that of the gambling fever in nearby Nevada." In that article Salt Lake was designated "stock-fraud capital of the West." The U.S. title would come later.

The next year the *Journal* reported from Los Angeles: "Five Persons Indicted on Fraud Charges in Bid to Halt Salt Lake City 'Shell Game'." A Los Angeles grand jury had indicted the five—including a former FBI agent—in connection with four corporate shells they had acquired in Utah. The article said the indictments represented "the first step in a new drive

000186

9704383055



"Gold! Gold! Gold from the American River!" Thirty-year-old Sam Brannan incited the gold rush —and became the wealthiest man in California.

to clean up Utah shell games. "Salt Lake City, said SEC regional administrator Gerald Bolz, has been 'a pesthole of shell promoters and con men generally.'"

Fortunately for the Salt Lake City Chamber of Commerce, "pesthole" never caught on as did "fraud capital."

The day after the *Journal* article appeared, *The Salt Lake Tribune* reported that Utah's reputation as the "shell game" capital was not dying as fast as Utah officials might have expected. *The Tribune* noted that the attorney general had created a white collar crime unit, and the legislature, two years before, provided a way to bypass court action and administratively dissolve corporate shells.

But the 1974 task force failed to change Salt Lake's reputation. One decade later, *Newsweek* wrote, "Utah, the Land of the Mormons, has earned itself another name: the Stock-Fraud Capital of the Nation." *Business Week* headlined, "The 'Stock-Fraud Capital' Tries to Clean Up Its Act." Closer to home, LDS general authority, Elder Hugh Pinnock, told business leaders, "Utah has been labeled the scam capital of the world."

A bank director, Pinnock wondered aloud why Wasatch Front communities scored high nationally in loan delinquencies, check kiting, and other white-collar dishonesties. Governor Scott Matheson appointed a new Securities Task Force, including Pinnock, in part to confront what experts were calling a "Mormon connection" to many of the schemes.

As if in answer to Pinnock's wonderings, *Business Week* reported in a February 6, 1984 article that sources told them "many church members are likely to accept without question an investment recommendation made by another Mormon." The article continued, "Hucksters try to exploit this tendency by trying to bring church officials into investor groups or by portraying themselves as good, church-going Mormons." And United Press International quoted sources who said "major reasons for the success of scams in Utah are the highly organized, tightly knit structure and trust-oriented doctrines of the Mormon Church." The same piece said the state had gained a national reputation as a "test market for scams."

"If it works here, they take it on the road," U.S. Attorney Brent Ward told UPI.

Later in 1984 Utah's Security Fraud Task Force reported that members of the predominant LDS Church "are particularly susceptible to various schemes." But not only are some church members vulnerable, the report said, but some also are conniving: "Church members often invest based upon the individuals involved and their standing in the LDS Church. Promoters have structured scams to appeal to members of the LDS Church, using such ploys as a trust fund to send children on a mission." The committee asked the legislature to restrict "blind-pool" offerings which were legal in Utah and enabled the public offering of low-priced securities without going through a registration and disclosure process. Blind pools were often used by swindlers in much the same way they used shells before the pools were legal. The legislature complied, tightening the reins on blind pool offerings. The legislature also passed a communications fraud statute so certain offenses could be tried in state as well as in federal court.

Even as the task force completed its work, the U.S. Attorney's Office convicted Grant Affleck, board chairman of AFCO, in the most publicized securities fraud in Utah history. Affleck swindled hundreds of Utahns out of millions of dollars in an investment scheme involving a subdivision and timeshare resort. LDS general authority Paul H. Dunn sat on the AFCO board of directors and his picture was used in a sales approach that appealed to active members of the church.

Publicity surrounding Affleck's conviction highlighted the task force's message. Early in 1985 Ward predicted a decline in investment fraud due to publicity surrounding the AFCO prosecution. *Forbes* did a follow-up article on March 11, saying there was "encouraging news" in Utah's fight against scams: "In the last two years no new major fraud schemes have been uncovered in a state the press once called 'the sewer of the securities industry.'" The article concluded with a quote from Pinnock who said Utahns were now wiser to swindlers. "They just aren't as unsophisticated as they once were," he told *Forbes*.

That serenity on the fraud front was exploded seven months later. By three bombs, actually. Mark Hofmann capped a five- year investment/rare documents forgery scam by murdering two people then injuring himself, all with black powder-packed pipe bombs. He'd perpetrated a fraud that fooled the highest officials of the Mormon Church, most prominently the man who had just represented the church on the fraud task force—Hugh Pinnock. With the permission of his ecclesiastical superiors, Pinnock had helped Hofmann get a $185,000 signature loan at the bank where Pinnock was a director—a loan to buy documents that did not even exist. Pinnock eventually repaid the loan himself, making him one of Hofmann's largest single victims.

The fact that Pinnock—a man who served on the task force—was duped by another Mormon, may indicate the depth to which fraud is entrenched in the Utah Mormon culture. "It's large, it's well-engrained and historically embedded in this state," Attorney General Paul Van Dam told *Utah Holiday*.

But why would this be so when, in many ways, Utah appears a wholesome, even an ideal place, to live? The *Wall Street Journal*, referring to Salt Lake City, said: "This stronghold of the Mormon Church, a city noted for its good works

9704383056
000187

and moral zeal, is being revealed more and more as a den of a special kind of sin."

One answer may be that this "special kind of sin" involves money, historically in short supply from the hardscrabble roots of church founder Joseph Smith on the rocky farms of New England to the unstable frontier economies to the government/church-dependent Utah economy. Modern Mormons face unusual economic stresses due to the dual church emphasis on large families and high achievement. In addition, geographical grouping by wards means socioeconomic grouping as well. At church meetings and activities Mormons frequently can compare their children, wardrobes, cars, mini- vans, campers, and boats. Under such pressure, does the siren song of quick money become almost irresistible? Does it inspire some general or local church leaders to meet an unspoken demand for get-rich-quick with too-good-to-be-true? And is a poor economy the cause or effect of investment failure?

FLEECING GOD'S SHEEP

The phantom footprints of members fleecing members can be tracked through time nearly to the day worshippers organized themselves economically. Only an instance or two from each era can be cited here. In 1836, six years after the church was organized, leaders founded a bank in Kirtland, Ohio. Mormons were politically dominant, but the Kirtland Safety Society Bank was denied a state charter. Undaunted, bank officials continued operations and changed the printed bank notes by stamping "Anti" before and "-ing" after the word "bank." In *No Man Knows My History* historian Fawn Brodie cites apostate Mormon claims that bank officials created the appearance of substantial deposits by topping sand-filled boxes with silver coin. True or not, other banks refused to accept the Kirtland currency, and the Safety Society Bank itself would not redeem its own notes with gold or silver. The anti-bank closed within months; suits were filed against church (and bank) founder Joseph Smith and a cashier was accused of embezzlement — falsely, according to former LDS Church Historian Leonard Arrington in *Great Basin Kingdom*.

"The whole venture left the Saints shocked and bewildered, as many lost both money and property," says *The Story of the Latter-day Saints*, authored by church-employed historians Glen Leonard and James Allen. "Some of Joseph Smith's closest associates failed to separate his role as prophet...from his activities in the temporal world." The book postscripts that Smith's failure in business had nothing to do with the integrity of his religious experience. In fact, Mormon apostle Heber C. Kimball rebuked the murmuring members for the bank's failure and the "spirit of speculation that was prevailing in the church."

NAUVOO LAND SCAM

That was in Ohio. In 1829 Mormons fled Missouri under a governor's order that they be "exterminated or driven from the state." Western Illinois land promoter Isaac Galland greeted the Mormons with arms open. LDS conversion imminent, and dollar signs gleaming in his eyes. He claimed ownership of development sites north of St. Louis, on either side of the Mississippi in Illinois and Iowa. Apparently Galland's reputation as a counterfeiter escaped the attention of church leaders, unfortunate since his title to much of the land he sold was, at best, dubious. "Thus it came about that in the first weeks of their arrival in Illinois the Mormons began...to be entangled in a net of fraudulent land deals," wrote Brodie. She said real-estate speculators "looked upon the Mormons as the fairest game that had ever come into the state."

The tracts the church purchased were subdivided into farms and lots and resold to immigrating Saints. Joseph Smith himself oversaw the land deals and "evidently earned a living from it," wrote Leonard and Allen. Demand and speculation drove up land prices, yet the church remained indebted due to obligations leading back to Kirtland. Skill and hard work prevailed as Nauvoo expanded into a city larger than Chicago.

Then Nauvoo, the "City of Joseph" fell. Later some Mormons' secret practice of plural marriage became so controversial that in retrospect it often hallmarks the fall. However the first and only issue of a newspaper published by disaffected Mormons, the *Nauvoo Expositor*, accused Smith of financial as well as sexual wrongdoing. The newspaper alleged that money and land acquired by the church "have been used for speculative purposes, by Joseph, to gull the Saints the better on their arrival at Nauvoo, by buying the lands in the vicinity and selling again to them at tenfold advance." Mayor Smith and the city council found the paper slanderous, declared it a nuisance, and ordered the press destroyed and the remaining papers burned.

The suppression of the *Expositor* gave Smith's enemies an opening to have him charged, then jailed in Carthage, Illinois. On June 27, 1844, a mob stormed the jail. Smith emptied a six-shooter on the assassins before he and his brother Hyrum were shot to death. Apostle Dallin Oaks, as a law professor at the University of Chicago, wrote of Smith's death: "This concluded the inexorable chain of events set in motion by the destruction of the *Nauvoo Expositor*." Within two years the Saints fled Nauvoo, selling their property—if they could—for cents on the dollar.

Brigham Young emerged as leader of the main body of Saints, which headed west by land, departing February 4, 1846. Coincidentally, the same day 238 "eastern" Saints boarded the *Brooklyn* in New York harbor, charting a sea route to the West. Their leader: Samuel Brannan, former publisher of the newspaper *Prophet*, in New York.

GOLD FEVER

Brannan's group sailed into San Francisco bay on July 29, 1846, doubling the population of Yerba Buena, soon to be renamed San Francisco. Brannan prepared himself financially for the hoped-for arrival of Young's party by purchasing property in San Francisco and establishing a trading post at John Sutter's fort in Sacramento. In June 1847, Brannan traveled east and intercepted Brigham Young's vanguard just before they entered Salt Lake Valley. But Young had already decided to settle near the Great Salt Lake; Brannan failed to change Young's mind.

Meanwhile that same month, "the Mormon Battalion" mustered out of the U. S. military in San Diego, intending to rejoin the Saints in Salt Lake Valley. However because food was in short supply at Salt Lake, the returning soldiers were asked to work in California the winter of 1847-1848. Some Mormons worked at Sutter's sawmill on the American River or constructing his flour mill 40 miles upstream. One of them, Henry Bigler, was nearby when gold nuggets were discovered. The Mormon workers began prospecting on the side, as Sutter pushed for completion of his mill, trying to keep the gold discovery secret. Enter Sam Brannan.

As *ex officio* leader, "Brannan continued to collect a tithe from California Mormons in the name of the church," wrote historian Donald Jackson in *Gold Dust*, published by Random House in 1980, "but he neglected to forward the money to Salt Lake." When Brannan soon learned of the gold discovery, he began collecting the Mormon miners' tithes in gold. Those

9704383057

000188

Are
Alcohol & Drugs
Disrupting
Your Life or the
Life of a
Loved One

WE CAN
HELP

For Information Call
272-HELP
1-800-821-HELP

All Calls are strictly confidential.
Professional evaluations at no charge.

HIGHLAND
RIDGE
HOSPITAL

miners had lost interest in building Sutter's flour mill, but the rush had not begun —the outside world still didn't know. Brannan would change that.

"The esteemed Mormon Elder had built as many conduits from the gold to his pockets as his calculating imagination could conceive of, and it was time to let it flow," wrote Jackson.

On May 12, Brannan rode horseback through the streets of San Francisco, waving his hat in one hand and a bottle full of gold in the other, yelling: "Gold! Gold! Gold from the American River!" According to Jackson, the gold he waved was "the tithes he had extracted from his spiritual wards." Thirty-year-old Sam Brannan incited the gold rush —and became the wealthiest man in California.

According to Jackson, Brigham Young sent a messenger to Brannan asking about tithing "for the Lord's treasury." Brannan told the messenger, "You go back and tell Brigham that I'll give up the Lord's money when he sends me a receipt signed by the Lord."

Publicly, Young opposed the Salt Lake Saints joining the gold rush. "If you Elders of Israel want to go to the gold mines, go and be damned," he said. Privately, Young wanted a piece of the action. Henry Bigler, who witnessed the gold discovery, and other young men were secretly called to prospect in the gold fields. But the Gold Mission failed. Arrington wrote that the men who returned with little gold "were good advertisements of the folly of 'chasing after gold.'" However, in the long run the gold rush benefitted the Mormon settlers, who charged premium prices to outfit prospectors on their way to the fields.

Gold, in fact, brought Salt Lake City its initial reputation as a locus for fraud. As gold from California found its way to Salt Lake, its value as a medium of exchange in the form of coins was apparent. A church mint began producing gold pieces in September 1849. Either by design or incompetence the coins contained less gold than their face value. "This overvaluing," wrote Arrington, "although not unusual, gave the Mormon coins somewhat of a bad name, particularly in California, where they were considered to be 'debased', 'spurious', and 'vile falsehoods.'" Arrington said the reputation of the coins began to affect the church's credit, so Brigham Young ordered the mint closed and allowed the coins to disappear from circulation.

9704383058

000189

PARTNERSHIP WITH GOD

Gold was not the first treasure in the earth to attract Mormons, but its discovery in California provoked the Saints' imagination of mines that the Utah Territory might yield. The "spirit of speculation" flourished again, among leaders as well as followers.

Take apostle Abraham H. Cannon in the mid-1890s, for example. He wrote in his journal: "Joseph Smith knew of the existence of treasure which the ancient inhabitants of this continent concealed, but he did not reveal the location so far as known to any living person." Also, Cannon wrote, that Brigham Young (who had died 18 years earlier) "knew of the existence of gold mines in these mountains, but desired them to be concealed until the people had the wisdom to use the wealth...for the accomplishment of good." Cannon and other apostles invested heavily in mining stocks, hoping one might hit the mother lode.

Cannon notes in his journal that when he purchased a sixth interest in the Blue Bird Mine, he offered God a partnership: "I have promised the Lord, and here record my covenant, that if the Lord will bless me in this venture I will give to Him one-fifth of all the profits I received from the property after the return to me of the amount I have thus invested and which is already tithed."

Cannon was also vice president of the Bullion-Beck Mining Company, director of ZCMI, director of the Co-operative Furniture Co., and director of the State Bank of Utah. He was also director of the Utah Loan and Trust Co., which became almost the early-day equivalent of AFCO.

In Cannon's time banks could speculate as wildly as mining stocks. Utah Loan and Trust in Ogden was failing when Cannon died at age 37 in 1896, just months after Utah gained statehood. Fellow apostle Joseph F. Smith was elected to replace Cannon as bank president, flanked by director Frances M. Lyman, president of the Quorum of the Twelve. Then apostle Heber J. Grant, considering a purchase of stock, discovered the bank's insolvency. Grant later wrote that a lawyer he knew predicted the bank's collapse and that "President Smith and the Directors one and all, could be indicted as felons," an opinion that Grant said he shared. Grant reported the potential embarrassment to church president Lorenzo Snow who "told me to do everything in my power to save this bank." Snow told Grant that "the Lord revealed to him...that someday Joseph F. Smith would be a Prophet of the Lord." This correspondence is cited in a doctoral dissertation, "The Story of Jesse Knight," prepared by Ronald Gourley in 1935 for the Utah State Agricultural College.

In a fortunate irony for the beleaguered church leaders, a fellow Mormon had struck it rich in a Utah silver mine. In 1896 Jesse Knight had followed a vision that showed him *exactly* where to dig for ore. Knight named the mine Humbug after a friend's remark upon hearing of the vision. Knight directed his miners to one rich ore body after another, with the result that when Heber J. Grant needed a friend with deep pockets, Knight's pockets were leagues deep.

According to Knight family biographer J. William Knight, Apostle Grant asked Jesse Knight for $5,000 to assist in saving Utah Loan and Trust. Knight refused. "Brethren who can't keep their own financial affairs in order are not worthy of being bailed out," Knight said. The catch came when Grant further requested that Knight pray about his decision —and the next day Knight sent Grant a check for $10,000, double the amount requested. "The next time you ask for money don't also ask me to pray about it," Knight quipped. Thus Joseph F. Smith's reputation was saved and he went on to head the church from 1901 to 1919. And Heber J. Grant succeeded Smith to the presidency.

DESERET MORTUARY CO., INC.

By that time monied schemes had diversified. In 1925, for instance, Salt Lake undertaker Charles S. Merrill introduced a novel approach purported to lower the high cost of burials. He founded the Deseret Mortuary Company whose salesmen marketed "burial certificates" that entitled the bearer to a funeral for cost plus 10 percent. Apostle George Albert Smith's brother Winslow was a founding director and the apostle's son-in-law, George O. Elliott, sold burial certificates. Business boomed. By 1929 more than 5,000 certificates had been sold to districts in Utah, Montana, Oregon, and Idaho. George Albert Smith was among the purchasers.

Seven years later, in 1932, Deseret Mortuary was placed in receivership and the certificates became worthless. John Skola, a Czechoslovakian immigrant who had invested $30,000 in the company, brought a civil action against Merrill to have his stock purchase rescinded. And in Montana a federal grand jury indicted Merrill, Winslow Smith, George Elliott, and three others on fraud charges.

Skola had accumulated some wealth producing animal byproducts; during the Depression, $30,000 in savings was impressive. According to U.S. Federal Court records, Skola alleged that Charles Merrill approached him one day while Skola was cleaning his pigpens, and told him, "You come behind the hogpen and I will show you how to makes lots of money." Merrill allegedly offered to sell Skola 20,000 shares of Deseret Mortuary for $1.50 a share, claiming the $30,000 investment would be worth $60,000 in a year. "You cannot lose anything," Merrill reportedly said. "The church is behind it; we have so many church officials."

Skola claimed he was shown a book with the names and pictures of church officials whom Merrill claimed were connected with the company. Merrill, however, denied meeting Skola at his home and said salesmen were given a list of prominent men, including many high officials of the church, *after* Skola had completed his particular deal.

■ "You come behind the hogpen and I will show you how to makes lots of money...You cannot lose anything..."

Skola won his case in Utah District Court on the basis his purchase was induced by misrepresentation, but the Utah Supreme Court on a 3-2 vote reversed the lower court. Chief Justice William Folland found Skola's story "utterly fantastic and improbable."

On February 1, 1937, a Montana federal jury convicted five Deseret Mortuary defendants, agreeing that the defendants had engaged in stock manipulation, misrepresentation, and mail fraud. The defendants denied the allegations, blaming their failure on adverse legislation, the depression, and lawsuits by opposition undertakers. George Elliott was fined $1,000; Winslow Smith was fined $2,000 and given a one-year suspended sentence.

Apostle George Albert Smith was literally flattened by the convictions. He

9704383052
061000

went to bed for a month "suffering from nervous prostration and influenza." Smith had worked feverishly behind the scenes, personally paying most of the legal fees of Henry D. Moyle (whom Smith—as church president— would elevate to apostle. Deseret Mortuary's general counsel, Hugh B. Brown, also became an apostle some years later.

Francis Gibbons, a former secretary to the First Presidency, described this situation in a Smith biography considered official by the LDS Church. George Albert Smith's outrage at the conviction, Gibbons wrote, "led him to exploit every available resource to help his kinsman." Naively, perhaps, Gibbons recounts how the church employed power: "So he [George Albert Smith] used his vast influence to exert political and public pressure on the outcome." He lobbied U.S. Senator William H. King, who in turn tried to pull strings in the justice department. Smith and King exchanged "My dear brother" letters in which King affirmed his conferring "with the officials of the government and others in their behalf" and expressed regret for the trial.

Smith's relatives could not afford a legal appeal. Instead they sought presidential pardons, which they obtained. Their fines were refunded. "This action brought the vindication the family sought and deserved," wrote Gibbons. "Winslow Smith and George Elliott were innocent victims, honest to the core, who had the incredible bad luck of being in the wrong place at the wrong time." The two primary defendants in the Deseret case appealed to federal circuit court. The court reversed their convictions 3-0. The three judges found evidence that false or fraudulent representations *had been made* to effect some sales, but there was no direct proof the officers *schemed* to make sales using deception.



MEMORIAL ESTATE SECURITY CORPORATION

In a near historical rerun in 1960, churchmen developed another funeral-related business that again appealed to elderly investors. The Memorial Estates Security Corporation (MESC) was founded as a cemetery organization involved in the construction of memorial parks. The burial plots were sold on a pre-paid basis; 200,000 shares of stock were also offered. The earnings promised on the stock were, for then, a whopping seven percent.

Guaranty Trust Deed—Among the causes of failure... were speculative investments... and the failure of directors to supervise investments.

As vice-president and director, Mormon general authority Bruce R. McConkie joined four stake presidents, three stake high councilmen, a bishop, and a member of the Church Welfare Committee, all directors. Their pictures and church affiliations appeared in the prospectus given to prospective investors. (McConkie would later become an apostle and his father-in-law, Joseph Fielding Smith, would become the president of the church.)

Again investors relied heavily upon church connections, and particularly upon McConkie's reputation. By November 1964 the company failed and filed for bankruptcy. An elderly couple filed a civil suit against McConkie and 14 other company officials on behalf of more than 270 stockholders and bondholders, alleging misstatements and withholding of information in the prospectus. Three days before a jury trial was scheduled to begin, the parties reached an out-of-court settlement. The average investor recovered 40 cents on the dollar.

GUARANTY TRUST DEED

Contemporary with Memorial Estates, the Guaranty Trust Deed Corporation was a fraudulent investment scheme that was organized, heavily advertised, and became insolvent within a two-year period. Like MESC, several prominent Mormon leaders were on the board of directors, including general authority Marion D. Hanks and Utah legislator E. LaMar Buckner. Both appeared in newspaper ads, claiming "Now Get the Same Returns as Professional Investors—7%." Radio spots featured the voice of well-known KSL personality Gordon Owen.

More than 3,000 people invested about $3 million before the company sought bankruptcy. The court appointed William Fowler trustee to supervise liquidation of the assets and repayment of investors. Fowler took civil court action against Gordon Owen and church-owned KSL, Marion Hanks, and others closely associated with the company. At the same time criminal charges were brought against Guaranty's top principals. In January 1967, a federal jury convicted company president Howard L. Lund of defrauding investors. That same month Judge Sherman Christensen signed an order approving settlements in the civil actions. KSL and Owen were slapped with a $125,000 judgement. There was a $5,000 judgement against Hanks; other directors agreed to settlements as well.

Fowler said he "would have taken more" from Hanks "if he had more." The reason: "I felt he was culpable." Fowler told *Utah Holiday* he thought Hanks and all the directors were negligent and careless in their management of Guaranty. Fowler demanded $5,000 of Hanks based on a financial statement Hanks filed with the court, reporting his church income at $800 per month and his net worth at less than $4,000. Hanks claimed to have resigned from the board in August 1969, and that he "did not profit either directly or indirectly in the affairs of the corporation." He would have to borrow the

000191

$5,000 to pay the court, Hanks said.

Fowler says the company—"in the nature of a ponzi scheme"— was doomed from the beginning. He said the seven percent interest guaranteed was double what banks were paying. Among the causes of failure he listed in court papers were speculative investments, incompetent loan personnel, loans to close friends, and the failure of directors to supervise investments.

Media reports of the demise of Guaranty Trust Deed Corporation did not play happily in the church-owned *Deseret News*. "I almost got my ass canned," said one reporter covering the story. Hanks had protested the out-of-court settlement should not have been reported, the reporter said, and Hanks wanted people fired. However editors determined the story was factual; no one was fired.

Because the Guaranty Trust Deed and Memorial Estates frauds were contemporary, two members of the First Council of Seventy, Elders Hanks and McConkie, hit hot water at the same time. In rapid succession in 1969, the First Presidency called McConkie to preside over the South Australian Mission, and Hanks to head the British Mission. The wheels of justice grind so slowly, however, that both had returned by the time civil litigation for their respective companies peaked.

AMERICAN RANCH AND RECREATION, INC.

"Bill and Sue, just from talking to you I can tell you are the kind of people who are striving to avoid failure in the home, the most tragic failure of all. I'm sure you are aware that places to take your family are becoming more and more difficult to find."

This sales pitch, loosely based on Mormon missionary lessons, was developed by American Ranch and Recreation Inc. This Utah company purported to be buying millions of acres of wilderness recreation land "from California to Florida" for the use of its member families. "Salesman extraordinare' chairman Snellen M. Johnson (so dubbed by his sales representatives) was backed by board vice chairman Victor L. Brown, the LDS presiding bishop, and director J. Thomas Fyans, a church communication officer. Fyans, formerly a director of Memorial Estates Security Corp., would later serve in the presidency of the First Quorum of the Seventy.

In addition to dropping Brown's and Fyans' names, salesmen were told to "proceed with PMA (Positive Mental Attitude)," to gather the family around a table, get the television off, make eye contact, and use first names as quickly as possible. The presentation, like the missionary discussions, drew out the contacts by asking them questions that reinforced key points and made them feel involved in the process of deciding to invest. The approach also targeted the traditional Mormon value of family solidarity.

However, the string of recreation resorts never materialized. American Ranch described one resort near Deer Creek Reservoir as featuring beautiful beaches, secluded trails, rustic cabins, and a magnificent lodge. American Ranch had a deed to more than 2,000 acres near Deer Creek—but the county recorder described it as undeveloped range land. The property was owned by LDS general authority Sterling W. Sill, a former business associate of Johnson's. County records show Sill filed a notice of default against American Ranch and then sold the property to the Mormon Church itself.

In 1974 Snellen Johnson and his brother, Lyle, pleaded guilty to selling securities without a license and selling unregistered securities in American Ranch and Recreation, Inc. Judge Stewart Hanson, Jr., gave them a year's probation and ordered them to make restitution to 250 stockholders who had invested $700,000. Undaunted Johnson shifted his efforts to yet another security—Navsat Systems, Inc., already publicized in American Ranch pitches saying Johnson: "has developed and is chairman of Navsat Systems, a navigational satellite system that guides ships at sea via communication satellite."

NAVSAT

Between 1968 and 1978 Johnson raised more than $7 million to develop a shipboard satellite guidance system. Thomas Fyans, by then a general authority, was president of Navsat. Investors' money streamed in but no operational system was ever installed on a ship. According to the SEC, investors were "influenced considerably by representations that certain authorities of the LDS (Mormon) Church were investors and had a close relationship with the defendant Johnson."

While Johnson's claims for Navsat were false, his claims of company-church connections were true. Not only was Fyans the president, but investors featured N. Eldon Tanner, a counselor in the church's First Presidency, and Victor L. Brown, of the Council of Seventy. In an October 1976 televised speech at LDS General Conference, Tanner excerpted an earlier talk by then church president Spencer W. Kimball, using an analogy of a ship on a stormy sea. Snellen Johnson incorporated the talk into his sales pitch, and claimed Tanner had endorsed Navsat.

San Diego became a hotbed for Navsat sales, as the church hierarchical network spread the word of a good deal from Salt Lake City to Las Vegas to California cities including San Francisco, and Chula Vista. The San Diego U.S. Attorney's office investigated, indicted, then convicted Snellen Johnson of 30 counts of mail fraud, wire fraud, and securities fraud.

LDS VS. IRS

If Mormons fleece Mormons, at least the wool falls within the fold. Some prefer to fleece the Internal Revenue Service—robbing taxpayers in general. "Tax protesters," who believe the income tax is unconstitutional, enter the swindles with eyes open and mouths salivating.

The "Silver Mines Case" involved church-owned Brigham Young University in a much-publicized fracas with the IRS. Einar C. Erickson is a Las Vegas geologist who was a part-time BYU department of archeology faculty member between 1956 and 1959. Two decades later he funneled into the school a bonanza of silver mine claims through an investment plan that made BYU an integral part of the scheme, one the IRS would allege was "one of the biggest fraudulent tax shelter scams in history."

Erickson sold investor claims to various Nevada silver mines. The payoff came not when miners hit treasure but on April 15. Erickson showed investors how to donate the claim to BYU as a charitable contribution, then write off the donation on their itemized deductions, claiming "as much as ten times" the actual value, according to the IRS. Erickson's program

The *Wall Street Journal*: "Dubious Distinction: Salt Lake City Gains Reputation for Being a Stock Fraud Center."

9704380S

000192

involved 4,000 investors and about $400 million directed to BYU and other charitable organizations.

When the government asked BYU for a list of those who had donated mining claims, BYU refused. The government sued and won. In late 1982 the school turned over a list of 850 names, many presumably linked to Erickson's silver mines. Then the IRS hit the donors for back taxes, interest, and penalties.

As BYU surrendered the list, the U.S. Attorney's office in Las Vegas obtained a 24-count indictment against Erickson, charging him with aiding in the preparation of fraudulent tax returns and with mail fraud in connection with marketing silver claims. During the trial a former IRS agent from Idaho testified that Erickson's indictment was part of a campaign to "tarnish" the LDS Church. Jurors found the government's case inconclusive, and acquitted Erickson. Currently BYU retains ownership of some of the silver mining claims and Einar Erickson's motivational audio tapes are sold in the BYU bookstore.

THE PENNIES IN THE NINETIES

Unless Utah's new federally-organized securities fraud task force bungles its mission, Utah penny stock fraud news will dominate the outset of the nineties. Already this year two Mormons and major penny stock swindlers—Carl Martin and Michael Wright—have pleaded guilty in connection with their non-related promotions. [See *Utah Holiday* March 1989.] Martin will testify against the president of Goldcor in one of the nation's largest penny stock frauds. And Wright will apparently provide testimony against Denver penny stock king Meyer Blinder. Wright's out-of-state partner Arnold Kimmes—whom *Forbes* says is "well known in mob circles" also pleaded guilty to racketeering and securities fraud charges. He will also likely testify against Blinder. (Blinder, the subject of a CBS Television *60-Minutes* report denies wrongdoing.)

Penny stocks also fueled some flying mud in this year's heated Third Congressional District campaign when anonymous letters to the media accused candidate Karl Snow—the odds-on favorite to replace Howard Nielson—of having owned 100,000 shares of Global Oil stock. The mailing said Snow had dealt with Mike Strand, out of federal prison to appeal a fraud conviction related to Global Oil. Strand contributed to Snow's campaign. But Snow denied ever manipulating penny stocks: "I wouldn't know how, even if I wanted to."

At this point, Mormon government officials and politicians appear more prominently on the penny stock scene than do Mormon clergy. In late April, Utah's U.S. Attorney Dee Benson told a House Commerce Subcommittee on Telecommunications and Finance that "Utah has considerable experience with fraud in the penny stock industry. We would like to change our reputation in that regard." Benson said he suspects the average investor doesn't know how risky the legitimate penny stock market is "let alone the extent to which the penny stock market is fraudulently manipulated."

Ironically Benson owes his own political fortunes to Utah Senator Orrin G. Hatch. Benson was once a Hatch aid in Washington, and was given a top post in the Justice Department in D.C. with Hatch's assistance, later followed by the post in Salt Lake City.

Senator Hatch's ties to Utah's penny stock industry are close. When in private practice, Hatch was one of the legion of attorneys in Salt Lake who helped promoters compose companies. Hatch's firm, Summerhays & Hatch, for example, helped put together Preferred Mortgages, Inc., which promised shareholders the potential of reducing their own home mortgage payments up to 60 percent. Current Congressman Howard C. Nielson, from Utah's arch-conservative Third District, was then chairman of the board.

Preferred Mortgages became the predecessor for Mutual Home Loan Association. Under new ownership, the company continued to create a fund for reducing investor mortgages, taking in more than $2 million between 1980 and 1983. Mutual Home Loan was legally registered as a security with the State of Utah. Their prospectus described how members might get a 2.21 percent home loan. The prospectus also mentioned the church ties of its directors. Most had attended Brigham Young University and several had served missions.

In 1984 Mutual Home Loan's registration expired; it re-applied. But the officers ran headlong into the Security Division's new director, Jack Hiatt. Hiatt, a Utah lawyer, had been appointed with the mandate to prevent any future APCOs. His office denied Mutual Home Loan's re-application on the basis of omissions and false statements in the application, as well as the division's opinion that MHLA's method of charging rates "constitutes a method of business which is illegal in Utah."

Company secretary Richard Bobo wrote Utah's legislators concerning "some serious problems created by the well-meaning but overly aggressive securities division." Bobo indicated that preliminary work for their predecessor company had been done by Senator Orrin Hatch, with Congressman Howard Nielson an original company director; then Bobo appealed for "a speedy resolution to these damaging delays and harassments by the regulatory agencies of the State." He wrote, "Utah, and especially Utah County, has been branded as the 'scam capital.' There is enough of this going around. We don't need to create the appearance of one where there is none."

The appeal fell on deaf ears. But within months the same company concept involving some of the same people reappeared in Arizona under the name Cooperative Home Loan Association of Arizona. Attempts to register the security also failed there. The state's security division rejected the application, calling the preliminary prospectus "incomplete, inaccurate, or misleading." The division alleged facts that would "indicate that the sale of the securities would tend to work a fraud or deceit upon the investors or would be unfair or inequitable to the investors."

■ "(Utah is a) test market for scams... If it works here, they take it on the road," U.S. Attorney Brent Ward told UPI.

In May 1986, Lowell Summerhays, Hatch's former law partner, admitted to fraud in connection with a complaint filed by Utah's security division. The division said Summerhays fraudulently misrepresented facts about the companies Raintree Development, Energy Corp, and Pantech Corp. Division Director John Baldwin, who replaced Hiatt, said Summerhays made the admissions "to avoid the publicity a lengthy investigation would have generated."

Senator Hatch's feelings about securities law enforcement emerged when Fed-

9704383056 2

000193

eral Judge David Sam released convicted swindler Carvel Shaffer from prison. Even earlier, in 1976, *Tribune* business editor Robert Woody wrote that Hatch "finds that the Securities and Exchange Commission has harmed as much as it has helped in that it has been overwhelmingly repressive when it comes to allowing enterprise to raise equity capital." Hatch refused an interview with *Utah Holiday*.

A LITTLE BIT OF TARNISH

Utah Governor Norman Bangerter told *Utah Holiday* that his only experience in investing is when he declines to. "I don't know much about securities," the governor said. When he was a contractor, Bangerter was offered East Antelope Mining stock instead of cash for two houses. He demanded cash. He said the promoter told him a year later, "You just lost $100,000."

Bangerter relies for advice on his top enforcement officer, John Baldwin. Bangerter correctly points to the fact his administration sponsored tough measures in cracking down on Utah blind pools, a move certainly opposed by promoters who were using blind pools to perpetrate securities fraud.

However some of Bangerter's key men have been linked to penny stocks. In October 1985, church-owned KSL Television aired a series of reports on the political links between Utah's penny stock industry and the Bangerter administration. Investigative reporter Con Psarras titled the series "Pennies and Politics," listing several names connected to Bangerter's campaign and administration: Doug Foxley, securities industry lawyer, lobbyist, appointee to Utah Board of Regents, and advisor to the governor; Paul Rogers, pro-blind pool state senator, campaign finance chairman, co-owner with Foxley of Crossett Company (a blind pool-formed invested broker business), and appointee to the Board of Regents; Marlen Johnson, campaign executive committee, owner of a brokerage firm once suspended by the SEC, and the governor's single largest contributor in his first race; and Steve Rippon, one of three penny stock brokers Bangerter appointed to the Utah Securities Regulatory Advisory Board, once suspended from trading following a fraud investigation.

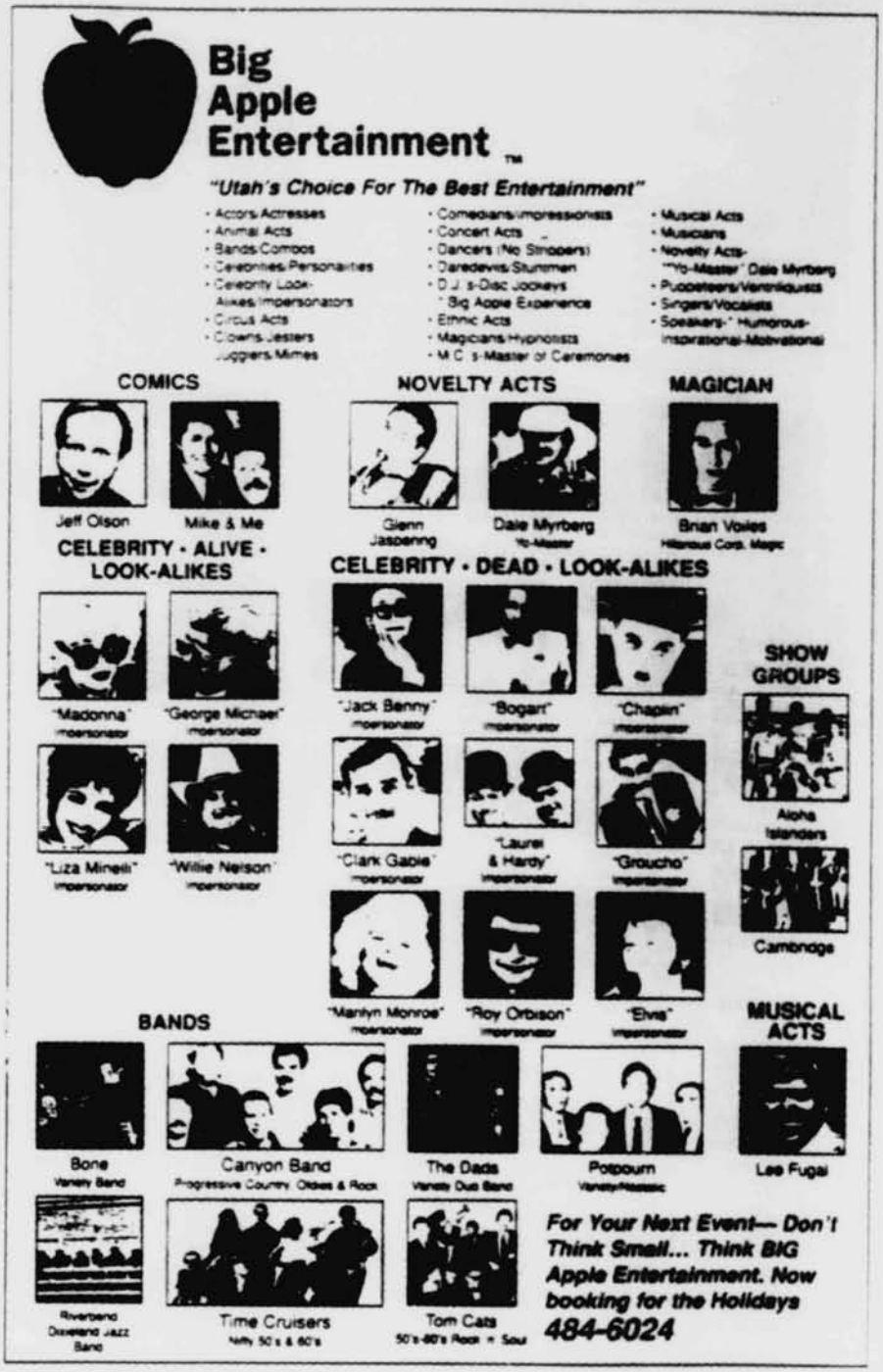
In August 1990, Bangerter's Securities Division proved it doesn't care who supports the governor's campaign. The state suspended former finance chairman Marlen Johnson and his brokerage company for one year for "improper and unethical conduct" in connection with securities transactions.

The KSL series also revealed that a penny stock account, that was set up in the name of the 1984 Bangerter/Oveson ticket, contained stocks that were brought into campaign coffers as "in-kind" contributions. The series questioned whether the account itself may have been used as part of a manipulation scheme.

"I've never seen the governor more angry at a reporter," said Francine Giani, the governor's press secretary. "What Con was doing was questioning his integrity, and that's something you don't do."

"It was a bullshit job, and I'm still bristling over it," Doug Foxley told *Utah Holiday*. Foxley said the series was riddled with errors. Besides, he said, the campaign accepting penny stocks as in-

continued on page 53



9704383056 3
000194

...ntinued from page 35

kind contributions is only doing what the Mormon Church and the Boy Scouts of America do. He alleged that Psarras, whom he called "Con- man Psarras," did a "hammer job that no other responsible news media picked up."

The series, in fact, was ignored by other media. However the stories ran the very week Mark Hofmann's bombs touched off perhaps the biggest story—of murder and fraud—in Utah history. Any other time Psarras' stories might have headlined newscasts.

Bangerter's finance chairman, Paul Rogers, was more philosophical about the KSL series. "I think they were wanting to address an image problem; in that sense it probably had a benefit." Rogers opposed the Bangerter administration's tightening of blind pool offerings. He thinks what Utah gains in image it will more than lose in investment capital. "There is a potential image problem for any state that seeks to allow a more freelance capital formation," the former state senator said. "You have to decide if you're willing to have a little bit of tarnish, but at the same time willing to have some economic development capabilities. You cannot have one without the other."

NEW FRAUDBUSTERS

As the new Security and Commodities Fraud Task Force strives to exorcise the specter of fraud, the Utah Economic Development Corp. is attempting to erase the ghostly image haunting the state. Utah has launched a $70,000 per y... public relations campaign, according to Rich Thrasher, president of the Utah Economic Development Corporation. A New York firm has been hired to arrange for positive articles about Utah business practices to appear in the national media, then to send reprints to business executives nationwide.

Manipulating the media in this way may be difficult. Already the *Arizona Republic* is preparing a series that will, in part, examine suspected unfair and self-serving involvements of the Mormon Church in Utah businesses. As U.S. Attorney Dee Benson and Utah Securities director John Baldwin—both Republican and Mormon—attack the penny stock industry, publicity will likely highlight the messy process long before any shining results emerge.

The federal task force was organized here after Utah was classified a hot spot along with cities such as Chicago and Los Angeles, and is headed by Assistant U.S. Attorney Stewart Walz. Two FBI agents, one IRS agent, one SEC investigator, and an agent from Utah's Securities Division complete the unit, working out of an office in Salt Lake's FBI headquarters.

Attorney General Paul Van Dam assigned an investigator from his own expanded fraud unit to coordinate with the task force. "The image of the state historically—and even presently—suffers," said Van Dam. The Democrat, who upset the Republican incumbent by promising a crackdown on fraud, added, "Utah still has the image of the foremost location of securities fraud in the U.S. Only through task force efforts and real prosecution are we going to change that image, and then slowly."

The task force is more than busy. Task force special assistant U. S. Attorney Mary Beth Walz told *Utah Holiday*, "If we took only the information we have now, we could keep busy for three or four years."

Some believe the new task force is not only backlogged but outgunned. Experts estimate there are hundreds of Utahns —promoters, lawyers, accountants, brokers, and transfer agents—associated with stock scams, to the extent that fraud is now an Utah export. "Idaho has its share of homegrown scams," said Idaho securities chief Wayne Klein, "but Utah produces more than its share and exports an awful lot."

The exporting goes beyond neighboring states. In April Utahn Carl Martin was the first to go to prison in connection with Goldcor, dubbed one of the largest stock swindles in U.S. history, affecting investors largely in Oklahoma and Florida. Even one of the companies involved with Euroscam—Europe's biggest stock swindle—was born in the Murray garage of since-convicted swindler Michael D. Wright.

So how hard is it to chase away a ghost? Bankruptcy attorney William Fowler has been trustee for many of Utah's most noted frauds in the past 33 years. Fraud, Fowler said, is cyclical.

His prognosis? "This community is ripe right now," Fowler told *Utah Holiday*. "It's going to happen again." •

Commentary: Suggestions for Change

Task forces and public awareness campaigns treat the symptoms, not the causes, of Utah fraud. Get-rich-quickitus is culturally embedded. The LDS Church—which dominates Utah's culture—could adopt practices that would help get to the root of Mormon-related fraud, perhaps also reducing many dishonest and unfair practices that never rise to the level of [illegible]

technicians, etc.) may be less likely to use their church callings for financial advantage. They might also offer a different slant in their precepts.

4. The church should divest itself of all properties and businesses that do not have a direct and substantial humanitarian purpose. No tithing-in-kind from high speculation sources (such as penny stocks) should be accepted. Tithing generated from swindles should be voluntarily returned. [illegible]

000195

As a member of the press, you've heard allegations about Karl Snow and penny stock fraud.

You've also heard Karl's denials.

As a group of concerned citizens, we have flown in witnesses from around the country that will offer explosive new evidence that Snow was involved in perjury and tax fraud -- and that he has lied to the press about his involvement.

It's information you can't afford to miss -- and information that every voter in the Third Congressional District needs to know **before** election day. Here's your chance to give it to them.

Press Conference
Wednesday, Oct. 24
10:00 a.m.
State Capitol
Conference Room

Contact:
Scott Norton
376-7983

9704383056 5

Good morning, ladies and gentlemen. Thank you for coming.
First, I would like to lay down a few ground rules. This is a press conference. We have members of the public here and we welcome them, but we will not take any questions from them. After the press conference, all of our participants will be happy to talk with any interested parties.

My name is Scott Norton. Before we begin the press conference, I need to make a few things very clear. I do not represent Bill Orton. I am not associated with the Bill Orton campaign. I am a private citizen. Contrary to what Karl Snow would prefer, this is still a free country. It is my Constitutional guarantee to speak out if I feel the need. It is also my Constitutional right to spend any amount of money I want as long as it is connected with no campaign. Contrary to Karl Snow's charges, I am in violation of no federal elections laws. Nor am I a close personal friend of Bill Orton's.

It was an article in the *Student Review* that finally moved me to action. I contacted the writer, Eric Shultzke, and here we are. That was nine days ago.

Mr. Snow has accused me of serious campaign infractions. Let me tell you now what you should already know. That's just hackneyed campaign rhetoric. The truth is that an ever-growing circle of upset voters are contributing time, money, and skills to ask the questions that have to be asked. Is Karl Snow telling the truth?

I am the spokesman for Utahns for Ethical Government. We are an independent, non-partisan citizen's group. We believe that if you are going to run for political office, you must first have integrity.

There are three names that keep coming up when you talk about Karl Snow: Mike Strand, Unique Battery, and Global Oil.

Mike Strand is a twice-convicted penny stock felon. Karl said he never had any financial dealings with him other than buying stock. The men here today say he was deeply involved.

Karl says he never let his name be used to sell Global Oil stock. These investors say he did.

Unique Battery attempted to merge with Mike Strand's Global Oil. Karl says he never owned any Unique Battery stock. But he signed a document claiming he did.

7/U4383055

Citizens Request Bramble Documents

Utahns for Ethical Government have requested from Karl Snow the supporting documents of the Bramble report. "Snow contracted to have Mr. Bramble look at four narrowly defined areas. We need to look where he was directed not to look."

"Mr. Snow says that the Bramble report clears him of "any tax liability, wrong doing, or financial impropreiety." I doubt if Mr. Bramble would like to go on record as saying his report clears Mr. Snow of all, that's all, tax liability, wrong doing, or finacial impropriety."

"I met with Mr. Bramble yesterday and I was very impressed with his ability. I can't say that he was not independant enough to do a report. I am saying that Mr. Snow worded his contract to limit the report. I have a great deal of respect for Mr. Bramble's ability."

"Mr. Snow's campaign manager suggested we could review the documents in Mr. Bramble's office, but we would have to pay $120 per hour to cover his fee. We won't be doing that."

"All of the documents you are requesting are public", Snow's campaign manager said, "If you want them, go get them yourself."

9704383056 7

PLAN AND AGREEMENT OF REORGANIZATION

GLOBAL OIL COMPANY, a Utah corporation, (hereinafter sometimes called "buyer"), UNIQUE BATTERY SYSTEMS, INC., a Utah corporation, (hereinafter sometimes called "U.B.S.I."), and Twenty-three natural persons who are the individual owners of all the issued and outstanding shares of U.B.S.I., (hereinafter sometimes called "Sellers"), hereby agree as follows:

ARTICLE I

PLAN OF REORGANIZATION

Plan Adopted

Section 1.01: A plan of reorganization of Buyer, U.B.S.I., and Sellers is adopted as follows:

a. Sellers will transfer to Buyer all of their right, title and interest in and to 45,864 common shares of U.B.S.I. comprising one hundred percent (100%) of the issued and outstanding shares thereof, pursuant to the terms and conditions hereinafter set forth.

b. In exchange for the shares transferred by Sellers pursuant to this agreement, Buyer will cause to be issued and delivered to Sellers pro rata to their ownership of shares of U.B.S.I., Thirteen million, seven hundred fifty-nine thousand, one hundred seventy-six (13,759,176) shares of Buyer's five cent ($.05) par value common stock, to be delivered at the close. The 13,759,176 shares of Buyer to be issued cumulatively to Sellers shall constitute not less than 81.2% of the total shares of Buyer which will be

9704383056 8

outstanding immediately after closing. The said common stock of Buyer shall, when issued, be validly authorized and issued, fully paid and non-assessable.

Closing Date

Section 1.02: This plan of reorganization shall be closed and consummated when signed by all the parties. The date of such consummation is the "closing date" or "closing" as referred to herein. "Final Closing" shall occur when this agreement has been ratified by a majority of the outstanding shares of Buyer.

ARTICLE II

COVENANTS, REPRESENTATIONS AND WARRANTIES OF BUYER

Legal Status

Section 2.01: Buyer is a corporation duly organized, validly existing and in good standing under the laws of Utah with lawful power to conduct all businesses in which it is engaged in all jurisdictions in which it is found.

Section 2.02: Buyer has an authorized capitalization of 6,000,000 common shares of five cent ($.05) par value. Prior to or contemporaneously with the final close, its capital will be $1,000,000 divided into 20,000,000 common shares of a par value of five cents ($.05) per share. There are now and will be at closing not more than 3,176,000 such shares outstanding. Buyer warrants that there will, immediately after the closing of this agreement, be not more than 16,935,176 common shares of Buyer outstanding.

2743830543

There are no further contracts or other documents requiring the issuance of further shares of Buyer. There are no outstanding options, warrants or securities convertible into common stock of Buyer.

Financial Condition

Section 2.03: The unaudited financial statement of Buyer as at December 31, 1983, attached hereto as Exhibit I, fully and accurately represents the financial condition of Global Oil Company at the date indicated. There are not, and will not have been any material changes in such financial condition from that date to the date of closing.

Performance Not Violative of Any Instrument

Section 2.04: The performance by Buyer of its obligations under this agreement will not result in any breach of the terms or conditions of, or constitute a default under, any agreement or instrument to which Buyer is a party, or by the terms of which Buyer is bound.

Material Contracts

Section 2.05: Buyer is not, and at the closing date will not be a party to, or bound by any material, oral or written contract for the employment of any officer or employee or commitment for any special bonus, compensation or severance pay; or any pension, profit-sharing, retirement or stock purchase plan with its employees or others; or any contract with any labor union.

9764383057U

Litigation

Section 2.06: There are not now, and at the closing there will not be any material claims, actions, proceedings or investigations pending or threatened against Buyer in any court or regulatory agency, nor any orders, writs or injunctions issued out of any such court or agency affecting Buyer.

Taxes

Section 2.07: Buyer does not owe any state, federal or local taxes and has filed all tax returns required to be filed by it excepting those related to accrued taxes for the current year, filings on which are not yet due.

Securities to be Issued

Section 2.08: The shares of Buyer to be issued pursuant to this agreement are of five cent ($.05) par value and have equal voting rights as all other shares of Buyer outstanding. Sellers hereby acknowledge their awareness that the said shares will not, when issued, have been registered under either the Securities Act of 1933 or under the Uniform Securities Act of any state; but are being issued in reliance on the exemption from federal registration provided by Section 4(2) of the Securities Act of 1933 for transactions not involving any public offering and from state registration by applicable isolated transaction exemptions. In connection therewith, Sellers individually acknowledge, warrant and represent as follows:

9704383057L

a. They have received and reviewed, as to Buyer, certain information prepared by Buyer pursuant to Rule 15c2-11 of the Exchange Act, including financial statements.

b. Sellers are persons of sufficient business experience to evaluate this transaction. Each Seller is financially able to bear the risk of his investments in Buyer's common shares.

c. Each of the Sellers is purchasing Buyer's shares for his own account, for purposes of investment and not with a view to distribution.

d. Each Seller consents to the placement on each certificate representing his shares of Buyer of a standard form investment legend stating that the shares are not registered under the Securities Act of 1933 and cannot be sold, hypothecated or transferred without registration or under an appropriate exemption from registration. Each Seller acknowledges his familiarity with Rules 144 and 237 of the S.E.C. which generally govern resale of restricted securities. Each Seller further concedes that Buyer has not represented, directly or indirectly, that the exemption provided by either rule will ever be available to him or his assignees.

e. Each Seller hereby consents to the placement of "stop-transfer" instruction as to all shares issued to him hereunder.

9704383057/2

ARTICLE III

ACCESS TO BUSINESS RECORDS OF BUYER PENDING THE CLOSING

Section 3.01: Buyer will afford Sellers or their accredited representatives, pending closing, full access during normal business hours to all properties, books, accounts, contracts, commitments and records of every kind of Buyer.

Section 3.02: In addition, Buyer will permit Sellers to make extracts or copies of all such documents and to supply such additional information or material as may be reasonably necessary to fully inform Sellers of the condition of Buyer. Each Seller agrees to hold and use all such information in confidence.

ARTICLE IV

COVENANTS, REPRESENTATIONS AND WARRANTIES OF UNIQUE BATTERY SYSTEMS, INC.

Legal Status

Section 4.01: Unique Battery Systems, Inc. is a corporation duly organized, validly existing and in good standing under the laws of Utah with lawful power to conduct all business in which it is engaged, and in all jurisdictions in which it is found.

Section 4.02: There are now and will be at closing not more than 45,864 common shares outstanding in the hands of not more than twenty-three registered and/or beneficial holders.

9704383053

U.B.S.I. is not under any obligation, contractual or otherwise, to issue any additional stock, or securities convertible into stock, and there are outstanding no options, warrants or securities convertible into common stock of U.B.S.I..

Financial Condition

Section 4.03: The consolidated financial statement of U.B.S.I., attached hereto as Exhibit II, fully and accurately represents the financial condition of U.B.S.I. at the date indicated. There have been no material changes in such financial condition from that date to the date of closing, except those arising from the ordinary conduct of its business.

Performance Not Violative of Any Instrument

Section 4.04: This plan and agreement of reorganization will not result in any breach of the terms or conditions of, or constitute a default under, any agreement or instrument to which U.B.S.I. is a party, or by the terms of which it is bound.

Material Contracts

Section 4.05: U.B.S.I. is not, and at the closing date will not be a party to, or bound by any material, oral or written contract for the employment of any officer or employee or commitment for any special bonus, compensation or severance pay; or any pension, profit-sharing, retirement or stock purchase plan with its employees or others; or any contract with any labor union.

Litigation

9704383057 4

Section 4.06: There are not now, and at the closing there will not be any material claims, actions, proceedings or investigations pending or threatened against U.B.S.I. in any court or regulatory agency, nor any orders, writs or injunctions issued out of any such court or agency affecting U.B.S.I.

Taxes

Section 4.07: U.B.S.I. does not owe any state, federal or local taxes and has filed all tax returns required to be filed by it except accrued taxes for the current year as to which filings are not yet due.

ARTICLE V

CONDUCT OF BUSINESS OF UNIQUE BATTERY SYSTEMS, INC. PENDING THE CLOSING

Section 5.01: U.B.S.I. shall be entitled to conduct its regular and ordinary business pending the closing.

Section 5.02: U.B.S.I. will afford Buyer and its accredited representative, pending closing, full access during normal business hours to all its properties, books, accounts, contracts, commitments and records of every kind.

Section 5.03: In addition, U.B.S.I., will permit Buyer to make extracts or copies of all such documents and to supply such additional information or material as may be reasonably necessary to fully inform Buyer of the condition of U.B.S.I. Buyer agrees to hold and use all such information in

9704383057 5

confidence.

ARTICLE VI

LEGAL OPINIONS

Section 6.01: The obligations of the parties hereunder shall be, at their individual discretion, subject to their respective receipt of opinions of their counsel in form satisfactory to them to the effect that the shares of stock to be delivered hereunder will, when delivered, be validly issued, fully paid and non-assessable voting shares of the other party after delivery pursuant hereto.

ARTICLE VII

MISCELLANEOUS

Section 7.01: Notices. Any notice or other communications required hereby shall be deemed delivered when deposited in the United States mails for transmittal by certified or registered mail, postage prepaid, return receipt requested, addressed to the respective corporate and individual parties hereto as set forth on Exhibit III hereof.

Section 7.02: Entire Agreement Counterparts. This instrument and the exhibits and schedules hereto contain the entire agreement of the parties. It may be executed in any number of counterparts, each of which shall be deemed original, but such counterparts together constitute only one and the same instrument.

9/U4000050/0

Section 7.03: Controlling Law. The valididity, interpretation of terms and performance of this agreement shall be governed by and constructed under the laws of Utah .

WHEREFORE, we have set our hands hereunto this 5 day of February, 1985.

GLOBAL OIL COMPANY

President

ATTEST:

Secretary

UNIQUE BATTERY SYSTEMS, INC.

President

ATTEST:

Secretary

SELLERS:

9704383057 7

Loren Eskel Peterson

Ethel M. Peterson

Paul R. Thomas

Hope N. Snow, Jr.

Franklin D. Richards

Franklin D. Richards

Kim Randall

Dallas Burrows

Frank L. McKinney

9704383057 8

DOMINICK & DOMINICK.
INCORPORATED

MEMBERS
NEW YORK STOCK EXCHANGE, INC.
AMERICAN STOCK EXCHANGE

63 NORTH 300 EAST
PROVO, UTAH 84601

P. O. BOX 2169
PROVO, UTAH 84603-2169
(801) 375-6777

1 November 1985

Mr. Percy Kalt
4089 Devonshire Circle
Provo, UT 84604

Dear Mr. Percy:

Following the instructions of Mr. Herbert Gleason we will deliver to you a stock certificate for 17,500 shares of Global Oil Company, together with a stock power signed by Mr. Gleason for the same, when we receive the newly issued certificate which is now with the transfer agent. The certificate will be issued in Mr. Gleason's name, but the stock power will make it negotiable for you.

At this time, we can not confirm how soon we will be receiving the certificate, but we have instructed our New York Office to send the certificate to our office rather than Mr. Gleason's home so that we will maintain possession until we delvier it to you.

If you have any further questions about this matter, please call.

Sincerely,

Gaylord K. Swim
Manager

9/U4308U5/9

9704830540

Number

Shares

GLOBAL OIL COMPANY

INCORPORATED UNDER THE LAWS OF THE STATE OF UTAH

This Certifies that **HERBERT L GLEASON**

SEE REVERSE FOR CERTAIN DEFINITIONS

CUSIP 379902 10 9

is the registered holder of **SEVENTEEN THOUSAND FIVE HUNDRED**

FULLY PAID AND NON-ASSESSABLE SHARES OF THE COMMON STOCK OF THE PAR VALUE OF FIVE CENTS ($.05) EACH, OF

GLOBAL OIL COMPANY

transferable on the books of the Corporation by the holder hereof, in person or by duly authorized attorney, upon surrender of this certificate properly endorsed. This certificate is not valid until countersigned by the Transfer Agent and Registrar.

Witness the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.

Dated: 10-31-85

GLOBAL OIL COMPANY CORPORATE SEAL UTAH

Paul Pulsmore
SECRETARY

F. M. Whitney
PRESIDENT

TRANSFER AGENT AND REGISTRAR:
ATLAS STOCK TRANSFER CORPORATION
5899 SOUTH STATE STREET
SALT LAKE CITY, UTAH 84107
COUNTERSIGNED AND REGISTERED

BY

AUTHORIZED SIGNATURE

000211

5056

Some recent quotes from Karl Snow on his involvement with Mike Strand in the Unique Battery/Global Oil penny stock scheme.

"I haven't seen Michael Strand in four years and have had nothing to do with his companies." Deseret News, August 20, 1990.

"I was never a director of Global, never had any dealings with them (except as a minor stockholder)." Deseret News, September 6, 1990.

"What it (the investigation into the Unique Battery/Global Oil merger scheme) will show I believe is that I was an investor--I lost money in the investment--and had nothing else to do with it." Deseret News, October 6, 1990.

"I say I was never in business with him (Michael Strand). I was just an investor in several companies he sold stock for." Deseret News, October 6, 1990.

In relation to talking to Dr. Percy Kalt: "But we only talked about the battery itself, whether it would work or not. That type of thing. We never talked about Global Oil or company matters." Deseret News, October 6, 1990.

....

From "Take Two" interview with Rod Decker on October 14, 1990:

Mr. Decker "You were not what could fairly be called an associate of Michael Strand in any of these matters (the Unique Battery/Globel Oil merger)?"

Mr. Snow "Not in any of those business dealings."

Mr. Decker "You did not go to other investors and say 'this stuff is all right' and get them to put money in?"

Mr. Snow "I did not. I had someone call me and complain that I indicated that to him but that simply isn't the case."

9704383057

DEFENDANT'S EXHIBIT
#J
4077
10-22-9

August 28, 1986

By mutual agreement this day, Percy Kalt and Mike Strand do exchange seventeen thousand five hundre (17,500) shares of Global Oil stock, numb 4976, for Five thousand (5,000) shares of Atlantic Mining stock, nomber 5689.

Percy Kalt

Mike Strand

9704383058 2

DOMINICK & DOMINICK.
INCORPORATED

MEMBERS
NEW YORK STOCK EXCHANGE, INC.
AMERICAN STOCK EXCHANGE

63 NORTH 300 EAST
PROVO, UTAH 84601

P. O. BOX 2149
PROVO, UTAH 84603-2149
(801) 373-4777

1 November 1985

Mr. Percy Kalt
4089 Devonshire Circle
Provo, UT 84604

Dear Mr. Percy:

Following the instructions of Mr. Herbert Gleason we will deliver to you a stock certificate for 17,500 shares of Global Oil Company, together with a stock power signed by Mr. Gleason for the same, when we receive the newly issued certificate which is now with the transfer agent. The certificate will be issued in Mr. Gleason's name, but the stock power will make it negotiable for you.

At this time, we can not confirm how soon we will be receiving the certificate, but we have instructed our New York Office to send the certificate to our office rather than Mr. Gleason's home so that we will maintain possession until we delvier it to you.

If you have any further questions about this matter, please call.

Sincerely,

Gaylord K. Swim
Manager

9704383005833

UTAHNS FOR ETHICAL GOVERNMENT
SCOTT NORTON, CHAIRMAN
P.O. BOX. 66
PROVO, UT 84603
376-7983

9704138305584

Opening Statement to the Press
by Scott Norton

Good morning, ladies and gentlemen. Thank you for coming.
First, I would like to lay down a few ground rules. This is a press conference. We have members of the public here and we welcome them, but we will not take any questions from them. After the press conference, all of our participants will be happy to talk with any interested parties.

My name is Scott Norton. Before we begin the press conference, I need to make a few things very clear. I do not represent Bill Orton. I am not associated with the Bill Orton campaign. I am a private citizen. Contrary to what Karl Snow would prefer, this is still a free country. It is my Constitutional guarantee to speak out if I feel the need. It is also my Constitutional right to spend any amount of money I want as long as it is connected with no campaign. Contrary to Karl Snow's charges, I am in violation of no federal elections laws. Nor am I a close personal friend of Bill Orton's.

It was an article in the *Student Review* that finally moved me to action. I contacted the writer, Eric Schulzke, and here we are. That was nine days ago.

The pressing question we have is this: **Why is it that Karl Snow is allowed to slander the integrity of every individual who ever confronts him, yet no one is allowed to question the integrity of Karl Snow?** That is what Utahns for Ethical Government is all about. That is why we are here today.

There are three names that keep coming up when you talk about Karl Snow: Mike Strand, Unique Battery, and Global Oil.

Mike Strand is a twice-convicted penny stock felon. Karl said he never had any financial dealings with him other than buying stock. The men here today say he was deeply involved.

Karl says he never let his name be used to sell Global Oil stock. These investors say he did.

Unique Battery attempted to merge with Mike Strand's Global Oil. Karl says he never owned any Unique Battery stock. But he signed a document claiming he did.

9704383058 5

These are the ped[redacted] who were involved -- who saw f[redacted] hand the relationship between Karl Snow, Mike Strand, Unique Battery, and Global Oil. Each will make a brief statement; when all have finished, they will entertain questions from the press. We will distribute to you packets with copies of their sworn statements as well as documents and other information that will help you in writing your stories.

I will begin by reading a sworn and notarized statement by Maurice Turley, international trade expert and secretary/treasurer of Patio Products, Inc., of El Paso, Texas

I will be followed in this order:

John Darger, former president, Unique Battery

Herb Gleason, Florida businessman

Percy Kalt, former professor of music at Brigham Young University

9704383056

Statement to t[redacted] Press
by Herb Gleason

Karl Snow denies extensive involvement with Mike Strand, and denies involvement with the Unique Battery/Global Oil penny stock scheme. He is lying. I was there.

I was approached by John Darger in January 1985 with an invitation to invest in Unique Battery, a company that was attempting to merge with Mike Strand's Global Oil. With money to spend on behalf of investors, I began an investigation of the company.

I had my doubts about Strand, a convicted felon. But others who were involved seemed credible. One of the most impressive was Karl Snow, a Utah State Senator and professor at BYU. **Snow's credibility was a major factor in my decision to invest.**

I'm puzzled by Snow's claims that he was not involved with Mike Strand. I sat in many meetings with the two of them. Snow admitted openly that he had an official position in Strand's company -- a position that was represented as ownership. Snow had a major stockholder position with Strand's company. Snow told John Darger -- who then told me -- that he recommended buying stock, because we all would make lots of money. **If that's not involvement, I'd like to know what is.**

Herbert C. Gleason
10/24-/90

NOTARY PUBLIC
GARY
R. TAYLOR
542 W 1720 N.
Provo, UT 84601
Comm. Exp.
6-10-92
STATE OF UTAH

WITNESS MY
HAND & SEAL
THIS 24 OCTOBER, 1990

000218

Statement to t[redacted]Press by John Darger

Karl Snow denies extensive involvement with Mike Strand, and denies involvement with the Unique Battery/Global Oil penny stock scheme. He is lying. I was there.

In a desperate attempt at what was, in Karl Snow's own words, **"below-the-belt political skullduggery,"** he felt the need to mention that I am a polygamist. I might remind you that I'm not the one on trial here. **Karl Snow is.**

I should know the principals involved in the Unique Battery/Global Oil merger: I was an owner of Unique Battery, and I was there. **So was Karl Snow.**

Prior to the merger, Mike Strand arranged for Karl Snow to be an officer of the company because of what Mike Strand called Karl's "political influence." Karl was there for credibility.

Yesterday Karl Snow said he had only met me on two occasions. I'm not sure why he feels pressed to lie about such a detail. I was in Mike Strand's office **many** times with Karl Snow. I personally witnessed **numerous** dealings between Snow and Strand. I saw Karl Snow come to Strand's office on **many** occasions for private meetings between the two of them. I often sat in Mike's office and watched Karl working in an adjacent office, which had been set up for him as a principal. My wife and I even sat at Karl Snow's table at the Governor's Ball.

Karl claimed yesterday that he did not offer Mike Strand any help with his legal problems. I watched Karl Snow spend time in Mike's office as they planned strategies and went over papers to present to U.S. Attorney Brent Ward.

Karl insinuated yesterday that he was only briefly involved with Strand out of ecclesiastical concern. I know differently. I personally saw Snow and Strand meet many times. They went out together often.

Strand sent flowers to Snow's wife on her birthday. It was obvious they were not new acquaintances.

Throughout my dealings with Global Oil, Karl was a constant. **For him to claim otherwise raises serious questions about his memory, his integrity, or both -- and serious questions about whether he should be elected to the United States Congress.**

John D. Darger

9704383052

My name is Maurice Turley; a business partner of Herb Gleason, I was living in Corpus Christie, Texas, when Herb alerted me to a "good deal" in Utah. He encouraged me to invest money in Mike Strand's Global Oil. When I questioned the company, he assured me he had checked it out and found it to be a viable investment opportunity. I invested an approximate total of $60,000 (which was part of the $118,000 invested by Herb Gleason).

A month after sending my initial investment, I visited Mike Strand's office to personally check out the company. During the time I was at the office, Mike brougnt up Karl Snow's name several times. When I asked who Karl Snow was, Mike told me that his associate Karl Snow was a Utah State Senator and a BYU professor, which gave the company credibility in my eyes. Karl Snow was promoted by Mike Strand as an influential and powerful individual who was involved with the company.

In the end, I lost my total investment, which included two properties I had used to guarantee the money.

I. Maurice Turley

NOTARY PUBLIC
MICHAEL S. BROWN
9619 Adams Avenue
Ogden, Utah 84403
Weber County
My Commission
Expires Jan. 12, 1994
STATE OF UTAH

Michael S. Brown
RESIDES IN MIDVALE, UT.

9704383058 9

Statement to the Press
by Dr. Percy Kalt

Karl Snow denies extensive involvement with Mike Strand, and denies involvement with the Unique Battery/Global Oil penny stock scheme. He is lying. I was there.

When I was invited to invest in Global Oil/Unique Battery, I was reluctant. But Mike Strand referred me to Karl Snow. "Snow will clear my name with you," he said. "He helped get me released from prison."

Yesterday Karl claimed otherwise -- but he himself told me he had helped get Strand released from prison -- because the prison term was, in his words, "a travesty committed by the IRS on Mike Strand."

Snow also told me he was an officer of Global Oil/Unique Battery, and that he himself owned 100,000 shares of stock in the company. He gave the company and Strand his highest recommendation. **Based on Snow's recommendation, I invested $25,000.**

Within 30 to 60 days, it became obvious that the stock offering was a swindle. Unique Battery called a meeting of stockholders that I attended. Company officers listed on the blackboard the names of major stockholders; according to notes I took at the time, Karl Snow was listed as owning 100,000 shares.

Karl said yesterday that he understands the principle of caring. But when it became obvious that I had been defrauded, I called Karl and asked him why he had recommended the stock to me. "I had nothing to do with this," he replied. "Please leave me out of this."

Karl referred to me yesterday as a "fire-bomber." I was so distraught after losing the money Karl influenced me to invest that I behaved irrationally. The stock scheme that Karl involved me in destroyed my life. It cost me tens of thousands of dollars. It cost me my career. **But I have paid my debt to society. When will Karl pay his?**

Karl proclaimed yesterday that "this is a district based on people helping each other when they're down." Yet after involving me in a scheme that cost me my financial security and my career, he refused to testify on my behalf in court. Karl thinks he can just walk away. It's not that easy. Karl Snow **was** involved, and with his influence involved me. I cannot turn my back on that -- **and I don't think Karl Snow should, either.**

Percy D. Kalt

10-23-90

000221

9704230

Opening Statement to the Press
by Scott Norton

Good morning, ladies and gentlemen. Thank you for coming.
First, I would like to lay down a few ground rules. This is a press conference. We have members of the public here and we welcome them, but we will not take any questions from them. After the press conference, all of our participants will be happy to talk with any interested parties.

My name is Scott Norton. Before we begin the press conference, I need to make a few things very clear. I do not represent Bill Orton. I am not associated with the Bill Orton campaign. I am a private citizen. Contrary to what Karl Snow would prefer, this is still a free country. It is my Constitutional guarantee to speak out if I feel the need. It is also my Constitutional right to spend any amount of money I want as long as it is connected with no campaign. Contrary to Karl Snow's charges, I am in violation of no federal elections laws. Nor am I a close personal friend of Bill Orton's.

It was an article in the *Student Review* that finally moved me to action. I contacted the writer, Eric Schulzke, and here we are. That was nine days ago.

The pressing question we have is this: **Why is it that Karl Snow is allowed to slander the integrity of every individual who ever confronts him, yet no one is allowed to question the integrity of Karl Snow?** That is what Utahns for Ethical Government is all about. That is why we are here today.

There are three names that keep coming up when you talk about Karl Snow: Mike Strand, Unique Battery, and Global Oil.

Mike Strand is a twice-convicted penny stock felon. Karl said he never had any financial dealings with him other than buying stock. The men here today say he was deeply involved.

Karl says he never let his name be used to sell Global Oil stock. These investors say he did.

Unique Battery attempted to merge with Mike Strand's Global Oil. Karl says he never owned any Unique Battery stock. But he signed a document claiming he did.

9704383057-1

These are the pe[redacted] who were involved -- who saw f[redacted]-hand the relationship between Karl Snow, Mike Strand, Unique Battery, and Global Oil. Each will make a brief statement; when all have finished, they will entertain questions from the press. We will distribute to you packets with copies of their sworn statements as well as documents and other information that will help you in writing your stories.

I will begin by reading a sworn and notarized statement by Maurice Turley, international trade expert and secretary/treasurer of Patio Products, Inc., of El Paso, Texas

I will be followed in this order:

John Darger, former president, Unique Battery

Herb Gleason, Florida businessman

Percy Kalt, former professor of music at Brigham Young University

9704383059 2

This letter was prepared by Percy Kalt in 1987 during M[redacted] Strand's second securities fraud trial. Kalt was asked to relate his experiences with Strand. Here, he refers to Karl Snow's role only in passing because he was focusing on Strand. The details of Kalt's story, however, remain unchanged and consistent.

9704383059 3

Dr. Percy G. Kalt
4089 Devonshire Circle
Provo, Utah 84604

Aug. 6, 1987

U. S. Probations Office
P.O. 847
Cheyenne, Wyoming 82004

ATTN: DAN FISHER

Dear Mr. Fisher:

The following are the facts you requested in our local fraud case involving Mr. Mike Strand:

Enclosed please find a copy of my check for $25,000.00 dated April 26, 1985. About one month prior to this date, Mr. Herbert Gleason brought Mr. John Darger of Midvale, Utah to my home, uninvited. They laid out a rather convoluted plan in which Global Oil stock (defunct) would be used to provide a "corporate shell" for Unique Battery Company. Mr. John Darger represented himself as president of this company. He showed me some battery tests and orders from several local and national firms. The stock was to show immediate gain.

Darger then took me to the Boston Building in Salt Lake City to visit Mike Strand, who told me that if I paid $25,000.00 for 7,000 shares, I could sell them in less than 30 days for at least 3 times their present value. I told him I had no money. Both Strand and Darger said it would be well worth borrowing the money from a bank, which I did.

Had I sold the stock immediately, I could have profited by $10,000.00, since Olson and Co. in Salt Lake City (David Floor, manager) assured me the stock was worth $5.00 per share. But Darger promised me another 25,000 shares in lettered stock to be given me in 60 days if I would not sell now. The lettered stock would become negotiable in one year. I did not receive the lettered stock until four months later after much badgering. Meanwhile, the stock had a steady decline from $5.00 to $.25. I had smelled a rat earlier when I saw that my check was endorsed by Mike Strand and Lyman Smart instead of someone from the battery company in which I supposedly invested.

Suddenly there existed a separation between Global Oil and Unique Battery (especially between Strand and Darger). The IRS closed the doors of the battery company, and Mike Strand held a meeting in which he obtained most of the existing stock of Global Oil.

9704383059 4

He also offered to sell stock for what seemed a high price. At this time I heard of other Strand activities, such as the demise of Citizens Bank of Ogden. Other people associated with Strand are; Jim Barber, Robert Routh, Newman Petty, Karl Snow, Lyman Smart, David Floor, Paul Pulman, Atlas Transfer Co., Frank Whitney, and others.

I continued to visit Strand many times, asking for my money back. He always refused. One day he said I was in luck and offered to trade 17,500 shares of Global Oil stock (including 10,500 shares belonging to Gleason) for 5,000 shares of Atlantic Mining stock (3433 Broadway Street, N.E. #445, Minneapolis, MN 55413 (616) 331-7777). He gave me beautiful brochures, showed a video tape and said the stock would shortly go from $1.00 to "the moon". He showed me a bottle of gold dust supposedly from that mine. A few weeks later, the Global Oil stock rose to $3.50 and the Atlantic Mining stock had sunk to $.25. I had been swindled twice!

Mike Strand had bragged to me that he owned six Jaguars and referred to my bank debt as a "piddling $25,000.00".

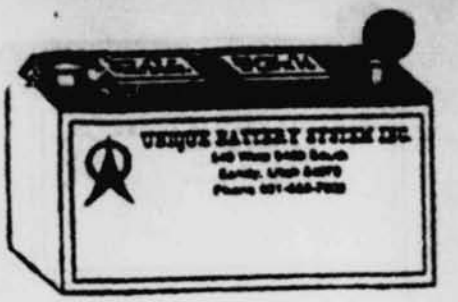
I hope this information will help you for your purposes.

Sincerely,

Percy G. Kalt

Percy G. Kalt
Professor of Music

9704383059 5



A-10

UNIQUE BATTERY SYSTEM, INC.
List of Stockholders
as of February 1, 1985

John Larger	100,000
Carolee Larger	1,331,643
Elizabeth Teerlink	1,331,644
Ronald D. Sorth	1,458,274
Gail Sorth	452,759
Cynthia Sorth	426,127
Susan Sorth	426,127
Soren Eskel Peterson	380,470
Leroy Soren Peterson	380,469
Raymond Eskel Peterson	380,469
Romel Peterson	380,469
Buddy Peterson	380,469
Larry Peterson	380,469
Paul Peterson	380,469
Kerrie Ransdale	359,185
James Barber	100,000
Peter Guyon	405,000
Frank Whitney	100,000
Paul Pullman	100,000
Kenneth Lundgren	100,000
Lois Strand	2,663,287
Karl Snow	100,000
Lyman Smart	100,000
Able Raymond Ellingson	1,591,850
Atlas Stock Transfer	150,000
Total	13,959,180

9704383059 6

M - 13.500.000

①	John D. Darger	100.000
②	Ronald D. Sorth	2,663,287.5
③	Soren ESKel Peterson	380,470.7
④	LeRoy Soren Peterson	380,469.57
⑤	Raymond ESKel Peterson	380,469.57
⑥	Romel Peterson	380,469.57
⑦	Buddy Peterson	380,469.57
⑧	Larry Peterson	380,469.57
⑨	Paul Peterson	380,469.57
1% ⑩	Kerrie Ransdale	159.185
⑪	Elizabeth TeerlINK	1331.644
⑫	Carollee Darger	1331.633
⑬	James Barber	100.000
3% ⑭	Peter Guyon From M 13.500,000	405.000
⑮	Frank Whitney	100.000
⑯	Paul Pullman	100.000
⑰	Kewith Lundgren	100.000
⑱	Louis Strand	2,663,287.5
⑲	Karel Snow	100.000
⑳	Lyman Smart	100.000
㉑	Wilford Goodwill	100,000
3% ㉒	Able Raymond Ellingson	1.591.850
㉓	Atlas Stock Transfer	150.000

9704383059 7

While under oath in a federal trial in Colorado, testifying in defense of Mike Strand, Snow was asked if he ever had any business dealings with Strand. His answer:

" Uh, no." (refer to page 1-154)

9704383059 8

ORIGINAL

UNITED STATES DISTRICT COURT
DISTRICT OF UTAH
CENTRAL DIVISION

FILED IN UNITED STATES DISTRICT COURT, DISTRICT OF UTAH
NOV 19 1987
DAVID J. ZIMMER, CLERK
BY _____ DEPUTY CLERK

MICHAEL WILLIAM STRAND,	Case No. [illegible]
Plaintiff,	SALT LAKE CITY, UTAH
	July 14, 1987
vs.	9:30 a.m.
UNITED STATES OF AMERICA,	
Defendant.	

VOLUME I, PART II
TRANSCRIPT OF TRIAL
BEFORE THE HONORABLE J. THOMAS GREENE
UNITED STATES DISTRICT JUDGE

APPEARANCES:

For the Plaintiff:
JOHN T. CAINE, ESQ.
Richards, Caine & Richards
2568 Washington Blvd., Suite 200
Ogden, Utah 84401

D. FRANK WILKINS, ESQ.
Moss & Wilkins
250 E. 3rd S. Suite 100
Salt Lake City, Utah 84111

For the Defendants:
STEWART WALZ, ESQ.
Assist. U. S. Attorney
350 S. Main Street
Salt Lake City, Utah 84111

Court Reporter:
REEVE M. BUTLER, RPR
Official Court Reporter
Rm. 224 Federal Bldg.
350 S. Main Street
Salt Lake City, Utah 84101

Proceedings recorded by mechanical stenography, transcript produced by dictation.

PENGAD/WEST, FRESNO, C 9704383059 9

Q And are you acquainted with the petitioner in this case, Michael Strand?

A I am.

Q And how are you acquainted with him and when did you begin to be connected with him?

A My recollection is it's been about four years. I came to know him through a mutual friend who asked me to take a look at some papers that he was troubled over and he was interested in and that's how we became acquainted.

Q All right. That would have to go back to about 1983, is that correct?

A That's correct.

Q And --

A Maybe '82; at the end of '82.

Q You were not present or involved in any way when Mr. Strand was tried in United States District Court in October of 1978 on --

A No, sir, nor did I know him.

Q Were you in 1983 also acquainted with Brent Ward, the United States Attorney for the District of Utah?

A Did I see him?

Q Were you acquainted with him first of all?

A Yes, I was.

Q And how were you acquainted with him?

A Well, I know him only casually but I was acquainted with him

PENGAD/WEST, FRESNO, CA 91 U 4 0 0 0 0 0 0 0 D

A. I am satisfied that these documents as well as any others now contained in the IRS files were in the files before the trial and were accessible to Strand's counsel --

Q. Okay. Stop right there. Thank you. Did you have any further communication with Mr. Ward after the receipt of the letter in April in which he basically says he considers the case closed?

A. I'm not -- I do not recall any written communications with Mr. Ward following that occasion.

Q. All right.

A. Or that letter.

MR. CAINE: Thank you. That's all I have.

THE COURT: All right. Do you have any questions?

MR. WALZ: May I have Exhibit 10, please. Let me have just a moment, Your Honor.

THE COURT: Yes.

CROSS EXAMINATION

BY MR. WALZ:

Q. So the record is clear, Mr. Snow, you are not a lawyer, is that correct?

A. That is correct.

Q. And have you looked at all the exhibits that were introduced at the trial of this case?

A. When you say all, I have a difficult time answering yes, but all that I could get my hands on, yes.

9704383060 1
PENGAD/WEST, FRESNO, CA

Q Have you gone down to the clerk's office and seen what exhibits were actually introduced into evidence?

A I have been to the clerk's office. I'm not sure that I've seen everything that was introduced into evidence. I couldn't answer affirmative on that.

Q Now the basis of your assertion is that Mr. Strand or his representatives have told you that he didn't get certain documents, is that correct?

A No, not entirely. I was told by the mutual friend that we've indicated that he thought there was a gross miscarriage of justice and asked if I would take a look at various documents with him which I did.

Q And you represented to Mr. Ward that these documents were not turned over to Strand's counsel at the time of the trial?

A I did not represent that. I raised questions in the brief as I read the transcripts from the trial and then read these various documents that there seemed to be great inconsistencies.

Q My question is - let me ask it this way. You contend in letters that documents were not turned over to Strand's counsel?

A That would appear to be the case from documents that I read and from transcripts of the trial, yes.

Q And have you reviewed the evidence that was turned over to Mr. Strand and his counsel?

A I reviewed all the material that is now in the so-called green file plus the transcripts of the trials and hearings, yes.

PENGAD/WEST, FRESNO, CA 9704383060 2

Q What is your basis for the assertion that some of the materials in the green file was not turned over to Strand's counsel?

A Well, I have no knowledge as to whether it was turned over to his counsel per se.

Q Thank you. By the way, have you ever had any business dealings with Mr. Strand?

A Uh, no.

Q Ever possessed or owned any stock that Mr. Strand had sold or promoted?

A Yes. I have purchased, never sold.

Q And the purchase of that stock was when?

A I believe in 1985.

Q What was the name of that stock?

A Classic Oil. I do have some stock.

Q And that was stock that Mr. Strand had promoted?

A I believe he is involved with it, yes.

MR. WALZ: No further questions.

MR. CAINE: I have nothing further.

May this witness be excused?

THE COURT: All right. Mr. Snow, thank you. You may be excused.

MR. WALZ: Your Honor, perhaps we could save some time. It was my understanding that the Court ruled that the testimony of Mr. Floor would be hearsay also to what Mr. Jensen

PENGAD/WEST, FRESNO, C. 9704383060 3

weight. A number of Strand's original offerings were either withdrawn or were not admitted into evidence.[4] Further, a great number of items provided in the green folder are not themselves alleged to be Brady material, new evidence, or otherwise exculpatory.[5] They are, rather, documents provided to show the

---

24A - Summary of Criminal Files, U.S. Attorney Max Wheeler, by Rand M. Elison, dated 05/01/78 ("Martin File Summary");

24B - Appendix - Schedule of C. Martin stock sales ("Schedule of Martin Stock Sales");

24C - Court docket sheet, NCR78-16;

25A - Memorandum to the District Director of Internal Revenue (recommending prosecution of Michael Strand) ("Prosecution Memo");

25B - Affidavit of Gary Ramsey, dated 03/14/83, and Memorandum of Interview of Gary Ramsey, dated 08/25/77, taken by Patti Danks;

25C - Testimony Chart of D. Yeaman;

26 - Transcript of hearing, held 09/22/78 in United States v. Strand, CR78-91;

AA - Motion for Reduction of Sentence, in United States v. Bruce A. Jensen, CR76-114;

Exhibit 2 - Affidavit of Kenneth Dean Pace, dated 04/76 ("Pace Affidavit");

Exhibit 3 - Associated Underwriter's Account Card - Carl Martin ("Martin Account Card") and, handwritten notes;

Exhibit 4 - Letter from Brent D. Ward to Karl N. Snow, dated 02/20/85;

Exhibit 6 - Letter from Brent D. Ward to Karl N. Snow, dated 04/15/85;

Exhibit 7 - Letter from Karl N. Snow to Brent D. Ward, dated 03/27/85;

Exhibit 8 - Same as Exhibit 4;

Exhibit 10 - Letter from Karl N. Snow to Brent D. Ward, dated 12/19/84;

9704383U604

000235

importance of the exculpatory documents. In his petition Strand explains that the exculpatory documents were "assembled in the 'green folder' in an attempt to make their indivfdual significance easily apparent in the context of the other trial evidence." Petition for Writ of Error Coram Nobis, at 10 (emphasis added). Among these "supporting documents" are excerpts of testimony witnesses gave at trial and other hearings, memorandums, previous decisions of this court, and other documents which appear in the various files. These documents were admitted into evidence without objection, and they are, for the most part, the kinds of things of which the court could simply take judicial notice. Since there is no allegation that

---

Exhibit 12 - Letter from Brent D. Ward to Karl N. Snow, dated 11/21/84;

Exhibit 13 - Letter from Karl N. Snow to Brent D. Ward, dated 09/17/84;

Exhibit 14 - Note "Keep from Strand";

Exhibit 15 - Affidavit of David Floor, dated 12/18/84;

Exhibit 16 - Associated Underwriter's confirmation slip, dated 07/31/75.

4 A total of twenty items were either withdrawn or were not received because they lacked of relevance, foundation or simply were not evidence. In the green folder this included the following numbered items: 7, 9E, 10, 12, 14, 15A, 15B, 17, 18, 19, 20, 25B and 25C. Plaintiff's exhibits 5, 8, 9, 11, 13, 14 and 16 were also withdrawn or excluded.

5 The court has found a total of nineteen items to be "supporting documents." They include only the following numbered items from the green folder: 3A, 3B, 4B, 4C, 6, 8, 9C, 9D, 11, 13, 16A, 16B, 16C, 16D, 16E, 22A, 22B, 26 and AA.

000236

9704383060 5

PARSONS BEHLE & LATIMER

Keith E. Taylor
James B. Lee
Gordon L. Roberts
F. Robert Reeder
J. Gordon Hansen
Lawrence E. Stevens
Daniel M. Allred
Roy G. Haslam
Dallin W. Jensen
W. Jeffery Fillmore
Kent W. Winterholler
Barbara K. Polich
Randy L. Dryer
Charles H. Thronson
David R. Bird
Raymond J. Etcheverry
Francis M. Wikstrom
David W. Tundermann
Chris Wangsgard
Neil Orloff
James M. Elegante
Val R. Antczak
Spencer E. Austin
Lee Kapaloski

Stephen J. Hull
John B. Wilson
Robert C. Hyde
Craig B. Terry
David A. Anderson
Gary E. Doctorman
Kent B. Alderman
Kent C. Dugmore
Kent O. Roche
Patricia J. Winmill
Randy M. Grimshaw
Lawrence R. Barusch
Maxwell A. Miller
William D. Holyoak
Paul D. Veasy
Robert C. Delahunty
Stuart A. Fredman
R. Craig Johnson*
Daniel W. Hindert
Lois A. Baar
Carolyn Montgomery
Michael L. Larsen
Jonathan K. Butler
David G. Mangum

*Admitted only in Colorado, Connecticut and Pennsylvania

A Professional Law Corporation

ONE UTAH CENTER
201 South Main Street, Suite 1800 • Post Office Box 45898
Salt Lake City, Utah 84145-0898
Telephone 801-532-1234 • Facsimile 801-536-6111

Derek Langton
Lucy B. Jenkins
Lorna Rogers Burgess
David L. Deisley
Richard M. Marsh
Hal J. Pos
W. Mark Gavre
Scott R. Carpenter
Mark S. Webber
J. Michael Bailey
E. Russell Vetter
J. Thomas Beckett
M. Lindsay Ford
Jim Butler
Douglas R. Davis
Elizabeth S. Conley
Shawn C. Ferrin
Elizabeth S. Whitney
Jo Ann Lippe*
Craig D. Galli
Elisabeth R. Blattner
James H. Woodall
James E. Karkut

Of Counsel
Mark A. Glick

William J. Evans
C. Kevin Speirs
Michael J. Malmquist
David W. Zimmerman
David B. Hancock
Alan K. Flake
K. C. Jensen
Lisa A. Kirschner
Michael A. Zody
Elizabeth Kitchens Jones
David M. Bennion
Marji Hanson
Matthew J. Harmer
Steve K. Gordon
Jeannette F. Swent
William R. Gray
William J. Stilling
Clare Russell Davis
Barry N. Johnson
Michael J. Tomko
James T. Blanch
Kyle C. Jones
Anne Whitehead Morgan
Jeremy E. Wenokur
Edward B. Grandy

*Admitted only in New York and New Jersey

VIA UNITED PARCEL SERVICE OVERNIGHT

mur 3192

Lawrence Calvert
Federal Election Commission
999 "E" Street, N.W.
Washington, D.C. 20008

Dear Mr. Calvert:

Enclosed are documents numbered 000001 through 000040 (Scott Norton's day planner), 000240 through 000268 and N000001 through N000233 which are being produced pursuant to your subpoena.

If you have any questions, please contact me.

Very truly yours,

J. Michael Bailey

JMB/mg
Enclosure
cc: Ken Murdock
Scott Norton

171492

9704383060 6

Jun 2 3 41 PM '95

UTAHNS FOR ETHICAL GOVERNMENT
SCOTT NORTON, CHAIRMAN
P.O. BOX. 66
PROVO, UT 84603
376-7983

9704383060 07

UTAH COUNTY SAYS:
VOTE FOR THE PERSON NOT THE PARTY

BILL ORTON IS TALKING ABOUT OUR FUTURE...

While Karl Snow is explaining his past.

Recently Karl Snow said that he would freeze cost of living allowances for the elderly and others on social security. Now he has to explain why he thinks taking money from these people is the smart thing to do.

Karl Snow is wrong! **BILL ORTON** said, *"the budget should not be balanced on the backs of senior citizens."*

Karl Snow says that you should vote for him because he's been a politician for twenty years.

BILL ORTON is not a politician. **BILL ORTON** is a successful tax attorney who has advised Congress and understands government. And, as an adjunct professor at the BYU Law School, Bill is strongly committed to education.
That's the kind of leadership we need.



We don't need more politicians in Washington.

We need BILL ORTON!

This Election Vote For a Change, VOTE...

BILL ORTON
FOR CONGRESS

9704383060608

N000001

Vol. 21 Issue 18 UTAH COUNTY 50 cents



OUTDOORS

FALL: Catching canyon colors. pg. A 22

Journal

BLITZ: Taking bullets for Bush A-6
SPORTS: Unlucky wishbone? A-10
LOCAL: Crossing over A-3



ARTS

IN TUNE: Musical love story. pg. A 19

FRIDAY, 2 November 1990

NEWS BRIEFS

A quick glance at the day's news

VENDETTA: Bill Orton says the Utah State Tax Commission is being used as a political tool to sabotage his congressional candidacy a week before his election with Karl Snow. A-3

ELECTION 90: Despite voter cynicism, the makeup of Congress may not change that much next week. A-8

RESIGNATION: Spencer Eccles steps down as vice president for news and public affairs at KSL Television after his friendship with an anchorwoman created friction in the newsroom. A-7

WEATHER

FRIDAY	SATURDAY	SUNDAY
41 / 31	40 / 30	43 / 26

STUMPING

Quayle warns against electing a Democrat

■ "I can't imagine that you want to send someone to Washington that's going to be in bed with the liberal Democrats. I think you need someone who is going to follow conservative Republicans like Jake Garn and Orrin Hatch."
— Vice President Dan Quayle

Michael Moms
Managing Editor

OREM — Third District Republicans who vote next week for Democratic congressional candidate Bill Orton are betraying not only their party, but President George Bush as well, says Vice President Dan Quayle.

Quayle — who flew to Provo on Thursday as part of a three month, 42 state stumping tour that began in August — said Bush needs more Republicans in Congress, not more Democrats. Quayle touched down during a cold, drizzly afternoon, but the precipitation didn't seem to rain on the political parade of Karl Snow, whom Quayle came to support.

Quayle, speaking to reporters at the Provo Airport and during a rally at Utah Valley Community College, said 3rd District Republicans need to unite behind

see **QUAYLE** pg A-18



photo by Dallas John

V.P. VISIT: Dan Quayle paid his second visit to Utah this year, this time stopping off in Utah County to stump for Karl Snow.

'BARBARISM'

Tension mounting in Persian Gulf crisis

(AP) — Iraq on Thursday promised to release four more American hostages soon and insisted it was treating foreign cap-

SAY CANDIDATES TRIPP, HILL

Commission continuity not needed

■ Commissioner Gary Herbert thinks continuity is important for county government, but commission challengers disagree.

Tripp has once before been touched by the law. Seven years ago, he won an election to fill the remainder of a mayor's term in Lehi.

N000002

9704383061 0

QUAYLE

continued from pg. A-1

Snow to see that he replaces incumbent Howard Nielson.

"We don't need division in the Republican Party. We need to have the Republican Party come together," he said. "I'm here for Karl Snow because we want him to be the next congressman of this 3rd Congressional District."

Republicans voting for a Democrat are making a serious mistake, Quayle added. He said they should remember that Republicans haven't controlled the House of Representatives since 1954 and that the nation has paid a high political price because of that fact.

A few Snow detractors showed up at the rally just the same, displaying "Orton for Congress" signs outside the activity center and urging voters to "dump Snow."

It's more important to have a Republican friend of the president in Congress than a conservative friend of the liberal Democratic leadership, Quayle said.

"I can't imagine that you want to send someone to Washington that's going to be in bed with the liberal Democrats. I think you need someone who is going to follow conservative Republicans like Jake Garn and Orrin Hatch," Quayle said.

"The way to change things in Washington is to change the Congress of the United States and to give the president a Republican Congress for a change," Quayle said.

"A Republican Congress would not have raised your taxes to reduce the federal budget deficit. A Republican Congress would have reduced federal spending, generated economic growth and given to the president of the United States a line-item veto and a balanced budget amendment so we could get the job done."

Asked how much he knows about Snow, Quayle replied: "I know Karl Snow through Jake Garn and Orrin Hatch, and they have told me what kind of an individual he is. I've got complete confidence in their character assessment of Karl Snow, and I have no reluctance whatsoever but to enthusiastically endorse him. We need him in Washington, we need him in the Congress."

Hatch, Garn and host of other state GOP leaders — including Gov. Norm Bangerter, Lt. Gov. Val Oveson, Rep. Howard Nielson, Rep. Jim Hansen and state GOP Chairman Richard Snelgrove — joined Quayle in praising Snow during what campaigners dubbed an old-fashioned political rally in the UVCC activity center featuring balloons and bands.

No matter how conservative Orton may claim to be, Hatch said, he would face tremendous pressure in Congress to vote the liberal line. Garn added that Orton is using a cloak of conservatism to hide behind his party's liberal platform.

"Go to work. Let's elect Karl Snow to Congress," added Bangerter.

Quayle urged those at the rally, which attracted several thousand enthusiastic supporters, to send Republicans to Congress.

"If we had a Republican Congress, we wouldn't have had to consider raising taxes to eliminate the excessive federal budget. We could have done it by spending cuts and economic growth. If we had a Republican Congress, the president would have been given a line-item veto and a balanced budget amendment. It's been a congressional spectacular that's been going on there the last two or three weeks."

Quayle said he and Bush have no doubts about Snow's ability to be effective in Congress. "Just as you can predict that BYU will go to another great bowl game, I also predict that Karl Snow is going to Washington come this January," he said to thunderous applause.

In his remarks, Quayle took time to advocate limiting congressional terms to 12 years, and he bashed Iraq's Saddam Hussein, calling him a terrorist and a murderer.

He added that Bush is doing "everything in his power to resolve this peacefully and without conflict. How this crisis is resolved is up to Saddam Hussein."

Snow, who also spoke at the rally, played up his values and pledged to defend the Constitution and to use it "as the blueprint for my service in Congress. It is a document that I will protect and defend against those liberal politicians and those tax-and-spend Democrats who advocate more taxes and more government. We've had enough of both. I will be part of the solution, not part of the problem."

Quayle's visit cost the Snow campaign about $12,000, but Snow said the expenditure was well worth it. "It's upbeat, and that's what we wanted to end on," he said.

Snow said he hopes Quayle's visit gets the vote out and returns the congressional campaign to the issues. Quayle, who arrived in Utah from a stopover in Nebraska, flew to Tucson and then Los Angeles Thursday night.

CRISIS

continued from pg. A-1

Abdul Kanji, Raymond Galles and Michael Barnes.

•In Washington, oil experts told U.S. lawmakers that the outbreak of war over Iraq's refusal to relinquish Kuwait could triple oil prices to $100 a barrel — causing gasoline prices to rise to $3 a gallon.

•Britain's Foreign Office on Thursday criticized Germany over former West German Chancellor Willy Brandt's plans to visit Baghdad to press for foreign hostages' freedom.

•As tensions rose, Barbara Bush, on a campaign stop in Omaha, Neb., said the president would do whatever he could to end the crisis, including meeting with Saddam.

•Also causing concern were new expressions of pessimism from U.S. allies. Egyptian President Hosni Mubarak and a British commander said Wednesday that war now seems increasingly likely.

•Iraq expressed renewed fears that the United States will use reports of hostage maltreatment as a pretext to launch a military strike.

•The U.S. and British embassies in Kuwait, which Iraq seized on Aug. 2 then annexed, are the sole Western missions defying Baghdad's orders to close. There have been reports that the isolated diplo-

ELECT



LEE

ELLERTSON

UTAH HOUSE OF REPRESENTATIVES DIST. 61

In the words of Edmund Burke; "All that is necessary for the forces of evil to win the world is for enough good men to do nothing." Join me and a few good men and women and together we may protect and develop the future of ourselves and our families.

Make Your Holiday Dining Dreams A Reality...

At Michael

FRIDAY, 2 NOVE



WEEKEN UP

ARTS/ENTERTAINMENT beat the weekday blues.

Coming

The League will sponsor a w from 10:30 a.m. downstairs confer Provo City Libr workshops inclu scripts, and artic Admission is $2.5 bers, $5 for others

UVCC's prod *Man* continues pe p.m. Friday, Satu Tuesday in the ba campus. Tickets s dents, $4 etc.

Comedians T Tyrone Davis pe urday at Johnny B at 8 and 10 p.m. day, 8 and 10 Phone 377-6910 f

Sundance's ad has performances the indoor Screen Friday and Satur p.m. Tickets are $ $1 off for senior c 4100 for reservati for infor overnight/theater/f

Marvin Paye man musical, *The* be performed as Nov. 5, to help liver transplant fo The show begins Avalon Theater, Murray. Minimum the door.

N000003

Y
TCH

'O — The City Council
ce steps toward establishing
elopment zone across Uni-
Avenue from the East Bay
he area would include a
se light industrial, profes-
nd retail park. The council
public hearing for Dec. 18.
hearing is necessary before
area is established. The ac-
the council are designed to
meowners in the area if the
displaces them. Redevelop-
nes allow city officials to
velopers finance a project.
ew businesses go into the
es receive more taxes from
before. Redevelopmem des-
s allow cities to give some
extra taxes to developers so
finance their projects.

DLA — The Utah County
Works Department has fini-
five-year road rebuilding
in the incorporated town.
as several miles of road but
ipmenl. Starting with Main
provements were made to
of Genola's road system.
n gave its portion of state
the county for the work.
officials will take care of
ance and snow removal un-
ystem, county officials say.

AQUIN — City officials
approved a $1.50 per month
ease for garbage collection.
went from $5.50 to $7 a

NGVILLE — The fall clean-
Nov. 3 to Nov. 10. People
are encouraged to take their
sh to the dump. Landfill
e available.

LETON — The City Coun-
ed down the planning
sion's recommendation that
remove proposed 1400
rom the master plan. The
commission said construc-
uld prevent development in
But the council wanted the
sion to study the idea more
alternatives.
McMullin and Richard
have been appointed alter-
mbers of the planning com-

ials purchased an old gro-
re for the police and ambu-
ilding. Instead of spending
) to remodel the current
, officials decided to pur-
e other facility for $95,000.
hope to make $5,000 from
appliances from the build-
icials also plan to return
donations to citizens who
o help remodel the current

KINS

from pg. A-1

ited the money to go to pro-
would make Brian happy."
"When we all read what had
we thought there should be

ELECTION '90

Some Republicans supporting Orton's bid

■ Two cottage meetings may not constitute a groundswell, but some Republicans are unhappy enough with Karl Snow to openly break ranks and support his opponent.

Lane Williams
City Editor



Bill Orton

OREM — When this political year started, Orem City Councilwoman Joyce Johnson introduced Steve Densley to kick off his unsuccessful run for Congress.

So there's little question that she's a loyal, dedicated Republican.

And Johnson is a popular politician in her own right. In her last two non-partisan elections to the City Council, no one has come close to matching her ability as a vote-getter.

Yet, despite her strong sense of party loyalty, as of Tuesday evening she had not decided which candidate she would support in the 3rd District congressional race.

She was, apparently, not the only one.

Most pollsters show GOP candidate Karl Snow holding a lead, but Democrats and a contingent of Republicans claim that Bill Orton is a credible, conservative candidate with a strong and increasing chance of winning.

Tuesday evening, Orton met with a group of neighbors and Republican voters at the home of successful Orem developer Doug Marriott. Marriott has been a Republican, but he met Orton earlier in the month at the home of George Murdock, another Republican.

Now, Marriott has a sign in his yard that says, "Republicans for Orton."

Murdock sent a fax on Tuesday to Vice President Dan Quayle before his visit to Utah Thursday. Murdock asked Quayle not to come.

"What you will most likely do is draw national attention to the fact that a Democrat, Bill Orton, is going to win the race in this district. Of the 150 calls I have personally made to fellow Republican friends and associates, not one is voting for Karl Snow," Murdock wrote.

Murdock said that a member of Quayle's staff called back and asked questions.

To be sure, two cottage meetings do not constitute a groundswell. But powerful people were listening to Orton's views.

Bill Orton bantered with his audience and shared his views on the budget deficit, abortion and limitation of constitutional terms.

The subject of a balanced budget presented Orton the opportunity to present, again, his most daring proposal — a 1 percent, across-the-board transfer tax. A transfer tax would add 1 percent to all transactions — from real estate to stocks to pencils. Simply, it's a tax on commerce.

It was there that Johnson perked up with her questions about the tax, thinking it would be unfair to business.

Orton's response was that the theory of transfer tax was that it spread it across the entire economy instead of certain elements, such as the large gasoline tax proposed in the recent budget compromise.

Orton said the strength of a Democratic upset in America's most Republican District alone would be enough to land him a plum committee assignment, which is almost essential to influence key legislation. The candidate also discounted concerns that he would need to give in to Democratic leadership on certain issues to win approval of his ideas.

Orton also made a point of his background. He said he would be the only tax attorney in the House of Representatives if he were to win the election.

At the end came his last plea: He wants help . . . from Republicans.

Community Calendar

Disney sale set for Saturday

The second annual All Disney Show and Sale will be Saturday, Nov. 3, at the Excelsior Hotel in Provo from 10 a.m. to 3 p.m. Proceeds from the show will be donated to the Make A Wish Foundation, a nationwide organization dedicated to granting the final wishes of children with terminal illnesses. Admission is $1 for anyone 12 and over. Children under 12 are free.

Workshop to be held Tuesday

The BYU Small Business Development Center will sponsor a workshop on basic marketing for small business owners and managers on Tuesday, Nov. 6 from 7-9 p.m. in room 180 of the Tanner Building. The workshop is designed for those with limited formal marketing or training and be announced at the Family Fun Walk. BYU Professor Paul Cox's botany class is sponsoring the event as part of a semester long project to turn Rock Canyon into a preserve. Everyone is invited to the Family Fun Walk at the mouth of the Rock Canyon, just above the LDS Provo Temple.

Crisis training scheduled

The Center for Women and Children in Crisis will hold training for community members interested in becoming volunteers on the Rape Crisis Team, Saturday, Nov. 3. Training will be held on Thursday evenings and Saturdays throughout the month. Training sessions will be held in the board room at the Provo City library. Any dedicated community citizen may qualify to become a rape crisis team member. Volunteers must be at least 21 years

EDUCATION WATCH

UVCC — In a recent accreditation visit, members of the Utah State Board of Education gave an 'outstanding' rating to vocational programs at Utah Valley Community College.

After completing a series of on-site inspections and compiling a number of self-evaluations, the Utah State Office of Education prepared an accreditation report which was sent to the Utah State Board of Education for review.

In the report, UVCC was commended for the outstanding vocational programs it offers to students. Programs such as computer information systems, electronic technology, automotive repair, refrigeration, business management, office education and graphics were given an 'outstanding' rating. Every vocational program at UVCC met the 14 standards set by the Utah State Board of Education, according to the report.

•A Utah Valley Community College German instructor has been named German Teacher of the Year for Utah.

Ruedigar Lehnardt, an instructor of German and math at UVCC, was named by the Utah Foreign Language Association and the Utah Association of Teachers of German as the 1990 Teacher of the Year.

"I don't consider myself the best German teacher in Utah; but, I am very honored to receive this award," said Lehnardt. "I have a love for my mother tongue and enjoy teaching others so they can communicate with me and others in German."

UVCC is also involved with an exchange program with Germany. Participating students have the opportunity to work and go to school in Germany and to learn the language and the culture first hand.

•To help train Utah Valley Community College auto mechanic students, Washburn Motors donated a 1989 Nissan Sentra to the school.

The Sentra will be used for training students on the advanced technology and design of new cars. Nissan is using UVCC as a training center for the Utah area, so this donation will help in training future mechanics on the particular aspects of new technology.

NEBO — On Nov. 5, eight additional schools in the Nebo School District will institute a school breakfast menu.

The breakfast option has proved to be successful in eight pilot schools, and will now be expanded to the eight additional schools. The program will continue to be monitored and students surveyed to determine if the meals can be provided in a cost effective manner.

Carla Lewis, supervisor of the school food service program, announced that by February it is planned that all of the schools in the district will provide the breakfast program.

Parents are encouraged to contact individual lunch room managers and to communicate their opinions and suggestions on the breakfast program.

N000004

Orton claims vendetta behind his tax problems

Mike Carter
Associated Press Writer

SALT LAKE CITY — Democratic congressional candidate Bill Orton says he believes the Utah State Tax Commission is being used as a political tool to sabotage his candidacy a week before the election.

The tax commission disclosed earlier this week its ruling that Orton fraudulently attempted to evade paying taxes on a car he bought in Oregon and brought to Utah. Orton believes that the report was deliberately timed to hurt his campaign.

Orton and Republican Karl Snow are locked in a bitter campaign to replace retiring five-term Rep. Howard Nielson, R-Utah, in the 3rd District.

Particularly, Orton was disturbed by a letter sent to him last April by a a former assistant Utah attorney general who threatened to "seek public disclosure" of his tax problems if he didn't disclose them himself.

He said he was suspicious of the timing and the way the information was revealed. The tax commission decided just last week that it would release the information if it was requested, and a Deseret News reporter said he received an anonymous call Monday telling him the information was available.

"It appears to me a deliberate attempt by an agency of the state government to effect the outcome of a federal election," Orton said. "If that doesn't scare the people of Utah to death, then it ought to."

At issue is a 1987 finding by the tax commission that Orton tried to evade paying taxes on a Mercedes Benz he bought in Oregon in 1982 and brought to Utah two years later.

Tax commission records show Orton has paid the $1,200 tax but still owes $1,349.78 in penalties and interest.

Orton claims he's paid the full amount. He said the matter is being challenged and should not be made public. The tax commission decided, however, that the information is public record.

The candidate finds the release of the information an "interesting coincidence" given a letter he recieved last April from attorney Maxwell A. Miller, a former assistant attorney general who handled tax commission matters for Republican Attorney General David Wilkinson.

The letter was marked "personal and confidential" and bore the telephone number and address of the firm for which Miller now works, Parsons Behle & Latimer.

It refers to Orton's campaign announcement and notes that the candidate told reporters he had been, "except for a couple of years in Oregon," a Utah resident since 1972.

"Of course, you strenuously argued in hearings before the Tax Commission when I was an Assistant Attorney General that you had never been a Utah resident," the letter said.

"I believe, Mr. Orton, that you should make public disclosure as to the unpaid civil tax fraud penalties against you," Miller wrote. "If you do not, I will seek public disclosure of those facts which the tax commission may release pursuant to law."

Miller did not return three messages left Wednesday at the law firm.

Officials in both the tax commission and the Utah Attorney General's Office believe the letter was inappropriate.

"Let me just say that we were very concerned," said Tax Commissioner G. Blaine Davis. "I certainly don't think it should have been written."

Attorney General Paul Van Dam said he found the letter "strange."

Orton referred the letter to Van Dam's office after he received it. Van Dam said one of his assistants looked into the matter and determined that the tax records probably were public record and could be released.



Gary Herbert
A strong, steady hand in the Utah County Commission.

ISSUES & POSITIONS

County Development

"I believe that county landowners have the right to develop their property, provided that their development does not adversely affect the property of others, and they are willing to pay for the necessary improvements. I am committed to seeing that normal growth in the county does not harm nearby cities nor burden city residents with taxes that should be borne by residents of undeveloped areas."

County Services & Taxation

"Local governments are the best to provide services, since they are closer and more responsive to the people's needs. Such services, however, require taxes—and I intend to scrutinize each county program to determine the extent to which services could be made more efficient, [and whether some services could be handled by the private sector.] I will study the effectiveness of county departments and programs and will carefully and equitably allocate funds."

Environment

"Air and water quality is a complex issue in which everyone not only has a stake but a contribution to make. All of us are responsible for the maintenance of the earth, not just certain industries or certain sectors of society. The County Commission must make sure that all do their share to preserve the environment. The need for new landfills, for example, must be coupled with programs to encourage less waste and more recycling."

Utah Lake

"The lake is here for the benefit of all. But it is a fragile and unusual body of water. Any future development must cautiously balance the needs of society with those of nature. The county has a role to regulate such development, but ideas and funding should come primarily from the private sector."

The Central Utah Water Project

"I support the timely completion of the CUP. More than anything, the project needs to honor its original commitments to those who have invested in it for 30 years. I will fight for the interests of Utah County's rightful share in the project."

Communication

"As your commissioner, I will make sure that county government is responsive to the concerns of the people. Communication needs to be a two-way conduit, thereby ensuring that the government is a mirroring the desires and needs of the people."



Paid for by the Gary Herbert for Commissioner Committee

Kay Bryson is the candidate for Utah County Attorney who will provide tough, effective prosecution of crime.

Just call the Police.



Kay Bryson is supported by many area police officers. Shown above, from the Orem Police Department, are (l to r) Jay Barker, Asst. Chief of Police; Gerald Nielson, Detective Sergeant; Craig Edwards, Detective Sergeant; Kay Bryson; Bruce Williams, Detective Sergeant; and Ralph Chabb, Detective Sergeant.

No one knows the need for a dedicated, experienced county attorney better than the police force in Utah County. That's why Kay Bryson has overwhelming support among law enforcement officials throughout the area, including the **Utah County Deputies Association** and other members of Utah County's law enforcement community, many of whom are listed below. Kay Bryson will bring positive new ideas, a commitment for vigorous prosecution and effective administration to the County Attorney's office. Please join with Utah County law enforcement officials in supporting Kay Bryson on Tuesday, November 6.

Jay Barker
Dan Howlett
Ron Mosher
Gary Wise
Garry Guymon
Jay Fletcher
Harold Peterson
Lamar Woods
Clarke Christensen
Gary Downey
Michol Goodrich
Grace Robertson
Pat Pikus
Suzette Carter

Michael W. Ferre
Kathleen Williams
Burnice Ward
Albert Loris
Jean Mecham
Nancy Seiler
Joyce Barton
Carla Hundley
Chris Jenkins
Rex Skinner
Dennis Lea
John Weatherly
Boyd Olsen
Norm Carter

William Gibbs
John Valentine
Leonard Brown
Don Aucoin
Charles Wakamatsu
Denton Johnston
Rick Ralston
Glenn Hoch
Todd Ferre
Dave Eckersley
Jim Tracy
Kris Hendricksen
Scott Neeran
Kirk Bertessen

Bruce Wilkins
Doug Edwards
Ned Jackson
Mike Larsen
Bob Conner
Steve Clark
Jeanette Christensen
Steve Allred
Wayne Fish
Shaun Adamson
George Alexanderson
Mark K. Beals
Dave Bennett
Mark Binks

Terry Steele
Danny Curtis
Kerry Evans
Robert Eyre
Ronald Fernstedt
Grant Ferre
Rosemary Grennwell
John Gruenbaum
Dennis Harris
Debbie Hatfield
Richard Heaney
Jens Horn
Lee Hoschouer

John Pickup
Owen Quamberg
Rob Riding
Jeffery Robinson
Jerry Scott
David Snyder
Dan Taylor
Deke Taylor
Craig Turner
Carla Witney
Doug Witney
Thomas E. Wroe
Doug Rawlinson

Michael Farres
Duane R. Fraser
Greg Geeslson
Jerry Harper
Richard D. Heaney
Gary Hodson
Bradley S. Leatham
Les Mason
Todd Moake
Michael Mock
Karen Morales
Charles Motsinger
Kim Nixon

Mark West
Dennis Ipe
Doug Adun
Dennis Bang
Robert Carter
Sadie Dewe
Kirk Mitselman
Tom Runyan
Bill Wright
Oliver Nelson
Chuck Sann
James Bird
Sean Dana

Ed Asay
Mark Byars
Richard Hasen
Carl Johnston
Morgan Warner
Jill Thorpe
Lois H. Ottesen
Bert Bean
Kurt Bean
Mile Blackhurst
Cody Cullimore
Stephen Frampton
John Lloyd

Paid for by the Committee to Elect Kay Bryson, Utah County Attorney

9704383061-2

N000005

nvenience stores, grocers sponsor er and tobacco sales program

OVO — In an effort to help avoid l sales of beer and tobacco, the Utah ciation of Convenience Stores and Utah Retail Grocers Association have ined their resources with several na- l organizations to produce a new ng program. Retailers join with ers and other store employees that e these products, in a two hour ctive-video workshop.

second of two sessions in Provo has 425 W. Center, scheduled for Tues- Nov. 13 at 3 p.m. in the Provo City ry.

main objective is to help stop illegal sales of alcohol and tobacco to minors, intoxicated customers and second-party sales. This is accomplished by improving the knowledge, confidence and motivation of convenience and grocery store employees. The workshop helps them discover and legally handle problems related to such sales.

The two-part program has no cost and begins with the training sessions. Since meeting size is very limited at some locations, pre-registration is encouraged, call 973-9517 in SLC vicinity and 800-423-6636 of other locations and dates are as follows:

Nov. 13, 3 p.m., Provo City Library, 425 W. Center, Provo.

ingville voters to consider UTA service extension

INGVILLE (AP) — Voters will de- on Tuesday whether a two-year ship of Utah Transit Authority will in bus service coming to downtown gville.

ing the bus system would cost gville residents an increase of one- r cent on the local sales tax.

a series of public hearings this sum- UTA's board of directors approved gville's request for the service on 18. The Springville City Council ap- d in October, voting to submit the or voter approval.

ld voters add their support to the UTA proposal, the city could begin receiving bus service as early as next spring.

The proposed transit service would be an extension of the current UTA Provo-Orem Route 8, which serves the East Bay Industrial Park, Brigham Young University, University Mall and Utah Valley Community College.

The extended route would run hourly from 7 a.m. to 5 p.m., departing from East Bay onto southbound Interstate 15 to the Springville No. 265 exit, which runs onto Utah 75. The route would run through Springville's industrial park and along Main Street.

'Republicans for Orton' offer reward to stop campaign sign destruction

"Republicans for Orton," an independent group supporting 3rd District Democratic Congressional candidate Bill Orton, has posted a $500 reward to stop the destruction of the group's campaign signs. "We have lost at least nine large 4 X 8 signs in the past four days," said George Murdock, a spokesman for the group. "This is not only against the law, but it violates our rights of free speech. Of greatest concern to us is that this type of lawlessness and attempted intimidation undermines the democratic process."

The group said that signs in seven different locations have been stolen — including two that had electric lights illuminating them at night. "The vandals cut the electrical cords and took the light fixtures," Murdock noted.

"I am disappointed that there are people in this community who have to resort to such childish and lawless tactics. Hopefully, some enterprising person sees the sign as collectors' items in what might be a history-making upset in the upcoming congressional race."

Murdock urges anyone with information concerning these thefts to contact the police department.



VOTE
MALCOLM H. BECK
the
PROVEN LEADER

Seat "A"
Four-year term
Utah County Commission

N000006

BECK: Low Cost of Government

Vol. 21 Issue 16 UTAH COUNTY 50 cents



Journal

SPECIAL ELECTION ISSUE



LOCAL: Cop calendar A-8
POLITICS: Defections and elections A-6

CHURCH
MTC: Language training and mission preparation. pg. A-9

SPORTS
COUGARS: BYU breaks the wishbone. pg. B-1

SUNDAY, 4 November 1990

NEWS BRIEFS

A quick glance at the day's news

OTHER CANDIDATES: Candidates from the Socialist Worker's Party and the American Party also want to replace Howard Nielson in Congress. A-2

NEBO DISTRICT: With two vacancies opening on the school board, at least two new faces will come on board after the election Tuesday. A-2

COMMISSION RACE: Former Lehi Mayor George Tripp faces Republican Gary Herbert in the race for the County Commission. Herbert was appointed five months ago to his position. A-7

WEATHER

SUNDAY	MONDAY	TUESDAY
47 / 28	49 / 28	55 / 31

Bush will spend Thanksgiving in Gulf

ROCHESTER, Minn. (AP) — President Bush will fly to the Persian Gulf to spend Thanksgiving with the troops he sent to confront Saddam Hussein, the White House announced Friday.

Bush, meanwhile, hitting hard at Saddam while campaigning for Republican candidates, renewed his pledge to push Iraqi forces out of Kuwait but said he still hopes U.S. forces can eventually return home "without a shot fired in anger."

Bush will visit Egypt and Saudi Arabia following a trip to Paris for the Nov. 19-21 multinational Conference on Security and Cooperation in Europe, White House Press Secretary Marlin Fitzwater said in a statement.

Confirmation of the long-rumored gulf trip came as Bush kept up his drumbeat of harsh anti-Saddam rhetoric. Bush's spokesman said Thursday that the president was preparing the nation "for any eventuality" but the president said he was not trying

Journal offers profile of Karl Snow and Bill Orton

Who will be next congressman?

Lavarr Webb
Contributing Editor

PROVO — When Karl N. Snow first ran for the Utah Senate in 1972, he had a certain invisible campaign worker who was a big help.

His Democratic opponent later good-naturedly told him that the election wasn't fair because he found he had to run against Snow and his mother.

Snow's mother, Wanda, who died just a year ago, was the central figure in his early life. His father, who had been dean of students at Dixie College and a Washington County magistrate, died of a strep infection just days before Snow was born. Wanda was left with six children to raise alone.

When Snow was 6, the family left St. George and moved to Provo so Wanda could obtain her teaching certificate. She taught for more than 30 years in Provo public schools, becoming one of the area's most beloved teachers. When Snow first ran for the Legislature, people knew his mother far better than they knew him.

"I grew up right in the middle of Provo, near what is now Academy Square," he said. "By most standards we were poor and we had difficult times, but thanks to my mother we had a very solid and happy home life."

Snow, who in his words recently turned "a young 60", was clearly destined to attend Brigham Young University. In fact, he started in the first grade. He attended the BYU laboratory schools, going through elementary, intermediate and then BY High School. "At one time we had five in the family attending the university itself at the same time."

Education was very important in the Snow home.

It was a couple of high school teachers

see **SNOW** pg. 3



BILL ORTON



KARL SNOW

Lavarr Webb
Contributing Editor

PROVO —When Bill Orton has a little free time, which isn't often, his favorite thing to do is grab his fishing rod and ride one of his horses from his home at Sundance to some secluded fishing spot.

A self-described "very private person," he loves the solitude of the mountains and dislikes taking a high public profile.

So, what is he doing in the middle of a hectic, bitter political campaign, standing in the spotlight, his private life on display and carefully scrutinized?

Those are good questions, especially because Orton is not a typical politician. He is running as an outsider, a non-politician, and he can get away with it because it's true.

The 42-year-old tax attorney was not recruited by the Democratic Party. He has not for years harbored a secret desire to run for political office. He did not build a network of political cronies or lay the groundwork to run months ago. He has ignored most of the conventional political advice given to him. He doesn't even have a campaign plan. He is financing most of his campaign himself.

He left a very lucrative law practice to run and if he wins he'll earn only half of what he made as an attorney.

So why is he running?

His answer is that he is so sick and tired of what is going on in Washington — the savings and loan debacle, the budget crisis — that he is driven to do something about it. His central message is that if you are sick of politics as usual, then vote for him.

It was last January or February when he was teaching a tax law course that the possibility of running for Congress first came up. He recalls that he made comments

see **ORTON** pg. 3

Disgruntled voters going to the polls

(AP) — Disgruntled voters pick a new Congress and 36 governors Tuesday in midterm elections shadowed by twin threats of recession at home and war in the Middle East.

But for all the combustible ingredients — and unexpectedly close races involving Republican Sens. Jesse Helms, Mark Hatfield and Rudy Boschwitz — few incumbents seem likely to lose in 34 Senate races, 435 House contests and 36 statehouse races on the ballot.

And only marginal changes seem likely in the size of Democratic majorities in Congress and among the nation's governors.

The California governor's race is the biggest prize of the campaign season, as

ELECTION 90

Beck faces Hill in commission race

■ Independent candidate Wayne Hill has been running a loud campaign to unseat incumbent Malcolm Beck. Beck cites his record while Hill blames the problems of county government on the GOP candidate.



Malcolm Beck



Wayne Hill

PROVO — In Tuesday's election, [illegible] candidate Wayne Hill ing incumbent Commissioner Malcolm Beck, Hill sold his five hearing aid stores.

He's been using those funds (and only two small donations) to run a loud, even angry campaign.

He's a member of the Independent Party, something that may make his bid seem even more difficult.

But Hill's campaign style is hard to miss.

"On Halloween, he and campaign

N0000007

SNOW

continued from pg. A-1

that got young Karl interested in public affairs. He studied political science at BYU, interrupting his schooling for an LDS mission to Texas-Louisiana. Toward the end of his mission he ate some spoiled meat at a district conference and nearly died. He was very sick, was in a body cast for most of a year and suffered bone deterioration.

He recovered well enough, though, to enjoy snow and water skiing. He also loves to work in his large yard, but says it's gone to pot this year because of his terribly busy schedule.

After graduating from BYU, Snow went to the University of Minnesota for a master's degree in public policy. He worked there in the governor's office for three years. Then he went to the University of Southern California for a doctorate in public administration.

While a student in California, he got to know an attorney and church leader named Howard W. Hunter. Hunter had a legal secretary named Donna Dain and he set Snow and Donna up on a blind date. A short time later Hunter was called as an LDS general authority (he is now president of the Quorum of the Twelve) and he performed Karl's and Donna's marriage. The couple has six children, the youngest 20.

Snow returned to BYU to teach and then took a three-year leave of absence when he was asked to work for the Utah Legislature and set up the fiscal analyst's office there. He established the system for tracking funding measures, identifying fiscal implications and projecting state revenues. He served for a time as the first fiscal analyst and then returned to BYU. The fiscal analyst's office is now a key part of the legislature, keeping track of state expenditures in all areas of government and advising the Legislature on fiscal matters.

He also advised Gov. George D. Clyde in establishing the State Budget Office, creating a system of executive budgetary control.

In 1969, he returned to BYU to direct the Institute of Public Management and to create a Masters of Public Administration degree. "Our program has turned out dozens of city managers, county executives and council of governments directors," Snow said. "We've had great success. Our graduates are scattered all over the West in important positions." Snow directed that program for nine years, especially enjoying the teaching part of the job. "I love to teach. That's the most satisfying aspect of being affiliated with a university."

Snow's most recent assignment at BYU was assistant vice president and director of development. He is now on an unpaid leave of absence.

He began his legislative career in 1972 at 42 years of age. "I did it on a fluke. I hadn't really planned to do it." There was some dissatisfaction with the Republican incumbent in the Senate district and Snow's neighbors and friends encouraged him to run.

"I filed on the last day, in the final hour. I was a complete unknown. I hadn't done anyting to lay any groundwork," he recalls. He defeated the incumbent and then the Democratic candidate. And in the rest of his 12-year legislative career, he never had another opponent. No one from either party ever filed against him.

"The Legislature was a great professional experience, as well as an opportunity to make a real contribution to the state," Snow said. His years of academic training and practical experience resulted in his sponsorship of dozens of bills in government reorganization to improve the conduct and efficiency of state and local governments in Utah. He rose to the position of majority leader in the Senate and was honored as one of 10 "Outstanding State Legislators in the United States."

"Some thought my approach in the Legislature was perhaps too academic, coming as I did from the university," Snow said. "But I learned to be very practical and to deal with the politics and the realities. All of those major bills required compromises among the many interests."

Snow also served for 12 years as chairman of the Constitutional Revision Commission, and played a key role in improving and updating Utah's constitution to meet the needs of modern society and address current issues.

In 1984, Snow ran for governor along with a half-dozen other Republicans, but did not make it out of the Republican state convention. "That race had a lot of positives. Losing was not a big disappointment. We got to know the state better and made a lot of friends."

Snow calls himself a conservative, but he is by no means an arch-conservative. "I believe that government has a positive role to play in society. But the role of government must be balanced with the role of the individual and the community."

He said that someone described him, after hearing him speak, as a "thinking conservative" and he likes that description. "I'm not one who is always suspicious of the national government just to be suspicious. They do many things very badly, and there are many things that must be straightened out. But some good things have also been done."

On a personal level, Snow said campaigning has been difficult, especially for his wife and family. Financially, it has been a burden because Snow is not wealthy. His wife has had to work to help support the family.

Especially difficult have been the questions about Snow's integrity and judgment because of his involvement with a man named Michael Strand and a penny stock deal. Snow himself lost money on the deal and he challenges anyone to find anything illegal or improper in his conduct. His detractors say he tried to distance himself from Strand and the stock deal when he was actually heavily involved.

Snow says the charges are misleading and unfair. They obviously are hurtful, he said, "but on a personal basis we know who we are and where we come from. So we ignore those kinds of things."

Snow said he is running because he felt that he was at a point in his life where he could use his experience and training to make a contribution to the district and the country. "I have a healthy respect for our state and community and the values and standards here. I want to protect them. I feel strongly about good government and I believe it can be a good servant. Government need not be an evil force. We do have some serious problems and I believe I can hit the ground running and help solve them."

This time he has to run without the help of his mother, but the hard work and values she taught him still serve him well.

ORTON

continued from pg. A-1

about the budget problems and savings and loan mess and what Congress could do about them. People in the class suggested that he ought to do more than talk about the problems; he ought to run for office and do something about them.

"I tried to dismiss the idea, but it kept coming back," Orton said. "Then I read that (Rep. Howard) Nielson was retiring. It became a compulsion. I couldn't leave it alone."

To that point in his life, Orton had led a relatively sensible, carefully reasoned existence. He wasn't given to taking crazy chances or going off tilting at windmills.

But he did it. He announced as a Democrat in perhaps the most Republican congressional district in the country. "It was something like jumping into a hornet's nest and slamming the door behind," he said.

The driving force behind the decision was this: "I just have become absolutely fed up with business as usual in Washington, D.C., and I know I can make a difference. I can help solve the problems. I decided that if people who can make a difference, who have the ability to make things happen, refuse to get involved because they don't want to upset their comfortable lives, then that's a shame."

The state Democratic Party had never heard of him. His family and friends were simply shocked.

The most unlikely thing about this is that Orton actually has a shot at winning. While still the underdog and still trailing in the polls, he has mounted the best Democratic campaign in the 3rd District since it was created. This is partly because his opponent, Karl Snow, has received negative publicity from his penny stock dealings. He has also benefitted from the anti-incumbent, anti-establishment sentiment among voters this election year.

But it's also because Orton has run a smart campaign. He has shown excellent political instincts, presenting himself as a candidate as conservative as the Republicans, while independent of the political establishment.

"I receive a very positive response from everyone I meet," Orton said. "I convert nearly everyone. They all like my message. The only trouble is having enough time to meet everyone."

During an interview with a reporter at a Murray restaurant, a man walking by recognized Orton, stopped and said, "I'm a born and bred Republican, but I want you to know that I like your ideas. You have my support."

Orton was born and raised in North Ogden, along with one brother and three sisters. He served an LDS mission to Oregon and earned a degree in anthropology and archaelogy from Brigham Young University. He also took a lot of accounting classes. He worked for the Internal Revenue Service during his college years and went to Oregon to work for the IRS after graduation.

A few years later he returned to BYU and earned a law degree, graduating in 1979. He worked for the IRS for a total of 10 years and also started a business holding seminars and workshops for other attorneys and CPAs on tax law. He still spends about one-third of his time teaching tax seminars. He figures he's taught more than 15,000 professionals all over the country.

He has been a corporate attorney in Oregon and is "of counsel" to the Atlanta law firm of Merritt & Tenney. He belongs to the Utah and Washington, D.C. bar associations and has taught accounting and tax courses at a number of universities, including the BYU law school.

Orton has been active in the American Bar Association, serving on tax policy subcommittees where he has reviewed legislation before Congress and worked with staff members of the House Ways and Means and Senate Finance committees, in addition to the Legislation & Regulations Division of the IRS.

He has had a home in Utah County since 1977, but his law practice has taken him around the country and he has spent quite a bit of time in Oregon. Most of his clients are other lawyers or CPAs with specialized tax problems.

Orton loves to ski, hike, fish and hunt. He enjoys living at Sundance, in the mountains. He broke his Arabian stallion last summer and enjoys riding him.

Orton is single, and that's a status he's somewhat sensitive about, being aware that the 3rd District is strongly family-oriented. He worries that his political opponents will insinuate that he doesn't share the values and family orientation of people in the district.

He is quick to point out that he does share those values and that he'd like to change his single status. "I've not had that opportunity and blessing (to be married) yet in my life," he says. "I'm actively looking. I want a wife and family. I believe that marriage is for eternity and is not a decision to be taken lightly. It just hasn't worked out for me yet."

When it was jokingly pointed out that in running for Congress he would meet thousands of people, including a lot of single women, Orton laughed and said he's not running for Congress to find a wife.

While Orton is running as a conservative, independent Democrat, some have questioned his ability to stay independent and conservative if he wins and the pressures of the Democratic Party and Democratic leadership are brought to bear on him.

He's convinced he can stay independent. "I say anyone who can run successfully as a Democrat in Utah's 3rd District, described as the most Republican in the country, will have no trouble being independent in Washington."

Orton has had difficulty raising money. As a decided underdog, he can't get much from national sources and Democratic donors are few and far between in the district. More money has come in, however, as he has shown he is a viable candidate. He figures to collect $30,000 to $40,000 in contributions and will spend $50,000 to $60,000 of his own money. Snow will outspend him 3 to 1, he expects.

Orton said the most difficult question, for him, of the whole campaign has been how to respond to something he has no control over — the criticism of Karl Snow's involvement with Michael Strand, who was convicted of stock fraud, and a penny stock deal that went sour.

While Snow has not been accused of anything illegal, investors who lost money say Snow was more involved with Strand than he has been willing to admit. Orton said he was advised by political insiders that the only chance he had to win was to capitalize on the dirty and bitter Republican primary election and make Snow and Strand the big issues of the campaign and criticize Snow at every opportunity in connection with the penny stock deal.

"I decided I would not go to Congress walking over the back of Karl Snow and pushing his face into the mud," Orton said. "I've refused every opportunity to run a dirty campaign. I've not done it. I don't want to go to Congress that way. If the public wants a dirty campaign, then they don't want me. If I have to abandon my personal values to win, then I don't want to be a congressman."

He said he told his staff that anyone involved in any way with Snow's problems would be fired. He said he told the state Democratic Party leadership that he would resign as a candidate if they became involved.

Orton has, however, managed to capitalize on Snow's problems by emphasizing his non-involvement and talking about how it is other Republicans who are criticizing Snow. He talks, for example, about how other Republicans question Snow's integrity and judgment.

Orton, himself, has has not been free of ethical questions. The State Tax Commission says Orton failed to pay sales taxes on a Mercedes Benz brought to Utah from Oregon. Orton was fined the amount of the sales tax, $1,200, and then was fined $1,320 in a "fraud penalty," according to press reports.

Orton disputed the tax and penalty, but lost in early appeals. He says the matter is still being appealed, but the Tax Commission says it has no record of an appeal.

Congressional races heat up

PROVO (AP) — Not even the endorsement of Vice President Quayle could silence congressional candidate Karl Snow's critics, with the Republican's foes stoking the fires of the already hot 3rd District race.

In a full-page ad run in Thursday night's edition of Provo's Daily Herald newspaper, Peggy Pugal Advertising — Snow's former ad agency — charged Snow had crossed the "line between withholding facts and lying" in speaking about an unpaid campaign bill.

Snow also was at the center of an acrimonious Chamber of Commerce debate, engaging in a shouting match with Scott Norton, chairman of the anti-Snow Utahns for Ethical Government.

Norton charged that Snow had telephoned witnesses before a probe was conducted into Snow's relationship with convicted felon and stock manipulator Michael Strand. The investigation was conducted by Curtis Bramble, a Provo certified public accountant hired by Snow himself.

Snow would make no comment on the allegations, but maintains the Bramble probe cleared him.

Snow's Democratic opponent, Bill Orton, said he has had nothing to do with the criticism over Snow's past and that he has tried to keep the campaign centered soley on the issues.

Nonetheless, Snow charged it was Orton who was pulling the strings on revelations about his past.

Pugal's ad claimed that Snow has owed her agency $3,360 for more than six years, dating back to Snow's unsuccessful 1984 gubernatorial bid.

Want the whole county to know?

Tell the Journal

9704380615

N0000008

Letters

continued from pg. B-14

sheep would be minor compared to the destruction of the environment by hundreds of thousands of people during both winter and summer tramping all over the place and whose only concern would be to have a good time.

The testimonies of these two experts on land use and the special problems associated with the Rock Canyon Drainage Basin clearly show that this was very inadequately treated in the Environmental Impact Statement.

If you really care about our environment and preserving the beauty and serenity of our mountain lands you will do everything that you can to prevent the destruction of the environment by the Seven Peaks Ski Resort in the Rock Canyon Drainage Basin.

Jess R. Bushman
Provo

Who's the real Karl Snow?

Editor:

For years I have appreciated the efforts made by our state legislators. I recognize the difficulty inherent to the task of setting and meeting sources of revenue. For this reason I have appreciated the time spent by Karl Snow as a leader in our state legislative processes. I like Karl Snow, I would probably have voted for him, but . . . who is this other Karl Snow?

I have watched as many of the debates as I have been able to schedule. I have heard the contrasting viewpoints from the two candidates who are representing the two major political parties. I thought I had a pretty good idea of who is running and what the issues are, but . . . who is the other Karl Snow?

I am referring to the one who was audited over and over again. I am referring to the one who was allegedly cleared of all allegations. I am referring to the one who did not influence the business of a corrupt and convicted felon. I am referring to the one who Karl Snow keeps referring to as Karl Snow.

Mr. Snow says, "I believe this . . ." and "I want to accomplish that . . ." and "My views regarding that are . . ." and then when the question is raised about the allegations of misconduct, suddenly there is another Karl Snow. This is an interesting, but foreboding stylistic switch. It appears that he wants to separate himself from himself. It seems that there is supposed to be one Karl Snow who is running for office, and a different Karl Snow who has been investigated. Why can't Karl Snow say "I am not guilty" or "that accusation is false." Why must it be that "the charges against Karl Snow have no basis in fact." Karl Snow makes great claim to being one of use. Mr. Snow, we don't talk that way! If you are trying to communicate the facts to us, why don't you talk like we do?

Could it be that perhaps there are some hidden details that, if they came out, would make Karl Snow look like a liar? If he uses avoidance language, could that possibly give him the out later on when the "basis in fact" is finally revealed? Were he to come right out and say, "That allegation is false. I did not have any influence on the business of Mr. Strand" and it later comes out that he did, then there would be no place to hide, verbally or otherwise.

I was in favor of Karl Snow's candidacy, but I can not vote for a man who won't come right out and say what he means in plain English. Mr. Snow is an educator, trained in the skill of communicating ideas clearly, while Mr. Orton is a lawyer, trained in the art of verbal jousting. This time the lawyer speaks more clearly than the teacher. Imagine that.

Walter A. Nicholes
Orem

MOVIE LISTINGS

ACADEMY
Avalon (PG)
7:15, 9:45
Sat. & Sun. 2:15, 4:45

ALHAMBRA
20 South Main • Pleasant Grove
785-0827
Duck Tales '6' (G)
7:00 Sat Mat 2:30
Young Guns II (PG)
9:00 Sat Mat 4:30

CENTRAL
Sibling Rivalry (PG-13)
7:30, 9:30
Sat & Sun Mat. 1:30, 3:30, 5:30
Memphis Belle (PG-13)

MOVIES 8 THEATERS
2424 North University Pkwy.
Provo
Young Guns II (PG-13)
12:40, 2:50, 4:55, 7:05, 9:15
Fri & Sat 11:30
Dark Man (R)
12:30, 2:45, 5:00, 7:15, 7:15, 9:30, 11:45
Dick Tracy (PG-13)
12:15, 2:30, 4:45, 7:10, 9:20
Fri & Sat 11:40
Narrow Margain (R)
12:45, 3:00, 5:15, 7:30, 9:45, 12:00
Days of Thunder (PG-13)
12:25, 2:55, 5:25, 7:40, 10:10, 12:30
Jungle Book (G)
12:20, 2:00, 3:35, 5:15, 7:00, 9:00, 11:00

How's your furnace?
Think It Will Last Another Winter?


N0000609

9704383061 9

Inside Today:

Marilyn Quayle now tranquil after anger of 1988 campaign
Page E1

Utah
Pons colleague says he'll return
Page A4

World
Students rally in Moldavia
Page A7

Sports
BYU leads WAC; Wyoming falls
Page D1

The Daily Herald

Sunday, November 4, 1990

Central Utah's Newspaper for 116 Years — Issue No. 96, Provo, Utah

1.00

Baker trip to 'lay foundation' for military action

Iraq releases four Americans, says peace plan in works

By LAURA KING
Associated Press Writer

Iraq struck a conciliatory stance on Saturday, freeing four American hostages and three captured French soldiers and promising to release more Europeans. Baghdad also indicated it was working on a new peace plan.

On Saturday, Iraq's parliament voted to let the 700 Bulgarians remaining in Iraq and Kuwait leave. Also Saturday, the official Iraqi News Agency said European contract workers stranded by Iraq's Aug. 2 invasion of Kuwait now could leave if they wished. INA, monitored in Cyprus, gave no number.

Secretary of State James A. Baker III, meanwhile, began a mission aimed at breaking the 3-month-old Persian Gulf standoff. He said he would "lay the foundation" for military action against Iraq if economic measures failed to persuade President Saddam Hussein to withdraw from Kuwait.

Saddam presided over a meeting of top-echelon officials and army commanders Saturday to discuss military operations in southern Iraq, INA said. There were no details on that gathering.

The freed Americans and French soldiers arrived in Jordan aboard the same Iraqi Airways flight from Baghdad. At the Amman airport, they were quickly hustled away by U.S. and French officials.

The Americans did not speak to reporters except to say they were tired. Also aboard the flight were about 80 Arab nationals and three men who identified themselves as Irish. They did not give their names.

Embassy officials from France said the French soldiers were expected to leave for home late Saturday. The Americans were to fly home Sunday.

One of the Americans, Randall Trinh, 49, of Hacienda Heights, Calif., was among the hundreds of foreigners kept at strategic sites as "human shields" against potential attack following Iraq's invasion of Kuwait. It was not known precisely where he was held.

The other Americans were identified as Dr. Abdul Kangi, 50, an Indian-born American from Glencoe, Ill.; Raymond Gales, a diplomat from the U.S. Embassy in Kuwait, whose hometown and age were not immediately available; and Michael Barner, 49, of Woodsworth, La.

Iraq said the four were released as a humanitarian gesture because they were "elderly and sick." U.S. Embassy sources in Baghdad said Trinh suffered from a stomach ulcer and Barner had a neurological disorder. No other ailments were reported.

Iraq has launched a public-relations offensive regarding treatment

(See GULF, Page A2)

War easier to get into than avoid



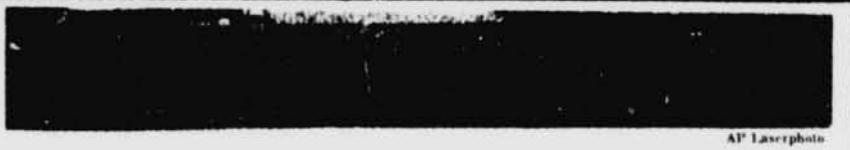
Deficit-reduction bill will cost average family $321 annually

N0000010

additional provocation," said Rep. Dante Fascell, chairman of the House Foreign Affairs Committee, "it better be real and able to stand up to press scrutiny."

No one can say if the war of nerves will turn into a battlefield war, but for these two adversaries — Bush and Saddam — retreat seems implausible. If Sad-

(See WAR, Page A2)



AP Laserphoto

A fireball erupts from a 16-inch gun on the battleship USS Wisconsin during recent live-fire exercises in the Persian Gulf. The U.S. warship is in the gulf for Operation Desert Shield.

Good samaritans sued for their acts of heroism

LOS ANGELES (AP) — Two people who rescued a pregnant woman from an overturned car moments before it exploded are being sued by an [illegible] accident victim they didn't have time to help.

Construction worker James Campbell and police officer Dale Turner pulled Norma Macias from her car Jan. 30 just before it was hit by another car and exploded in flames. Two hours later, Mrs. Macias delivered a 6-pound, 8-ounce girl at a hospital.

Anzelma Sanchez-Sianez, 17, who was riding in the same car, is suing Campbell and Turner for negligence. Her lawyer, Paul Jay Bershin, filed suit Oct. 4.

Turner was served with the legal papers Thursday as he was going to the Police Academy to be honored with a Medal of Valor.

The suit names two other people: Gloria McNeal, whose car hit the overturned car, then allegedly careened into Sanchez-Sianez as she was sitting dazed against the center divider, and Mrs. Macias' husband, Ricardo, who was driving the car when it overturned on the San Diego Freeway.

"I still can't believe this is happening," Campbell said. "I was trying to save lives."

"If Campbell had not stopped and been a good citizen, I have absolutely no doubt in my mind all those people would have perished," said Turner, a 20-year Police Department veteran.

The suit claims Turner, who was en route to work when he saw the early morning accident, was negligent in "failing to set up flares or warnings to oncoming motorists to indicate that an accident had occurred."

The suit also claims Turner and Campbell "permitted Sanchez-Sianez to remain in a position of peril on the freeway."

UEA leader lashes out at critics of teachers



Herald Photo/David Dahl

UEA President Lily Eskelsen addresses teachers Saturday.

By JOSEPHINE ZIMMERMAN
Herald Staff Writer

PAYSON — Lily Eskelsen, president of the Utah Education Association, lashed out at people who criticize the UEA for its obsession with political action and who believe that computers can replace teachers in the classroom.

"It's a valid obsession," she said at the organization's Fall House of Delegates meeting Saturday in Payson. "Only through political action can the UEA bring about better conditions for teachers and students in Utah.

"It's a world of compromise and planning as we painfully inch along the right path. The work of UEA is a process, and it is continuing. Slowly we are seeing the results of our careful planning; this Legislature wants to work with us."

She said teaching today is "an adequate supplemental income; it is not a particularly good income for a breadwinner with a family," she said, noting that the people she works with all have part-time jobs.

"Every other day I run into people who think computers are valid replacement options for teachers," she said. "I have never seen a machine that can give personalized instruction or praise for individual accomplishments. Machines don't give hugs or laugh at jokes."

Eskelsen also critized the move to use substitutes in place of real teachers in the classroom.

"This state is known throughout the nation as the fraud capital. Come to Utah where public policy makers expect more than you are willing to pay for.

She commented on a plan proposed in Ogden School District to extend the school year from 180 to 200 days, but to give the regular teachers every other Friday off and hire substitutes for those days.

Lowell Baum, executive director, urged teachers to vote against removing the sales tax on food, saying, "even if it fails, we will still have trouble achieving our goals in education."

Commenting on the move to replace teachers with computers, he said, "We as teachers never really know what kind of impact we have on young people. Only a human life

(See UEA, Page A2)

GOP big guns attack Orton, try to close ranks

SALT LAKE CITY (AP) — Karl Snow's involvement with the controversial merger of two penny stock companies has "nothing to do with" his qualifications to serve in Congress, Sen. Orrin Hatch, R-Utah said Saturday.

Hatch, Sen. Jake Garn and Gov. Norm Bangerter, held a news conference at the state Capitol in hopes of shoring up an eroding GOP constituency in the 3rd Congressional District, where Snow is being challenged by Democrat Bill Orton.

The Republican big guns also fired a broadside at Orton, who they said was a liberal in conservative swaddling.

Orton and Snow are locked in a bitter race to replace retiring four-term Republican Rep. Howard Nielson. Polls released last month showed Snow with a comfortable 22-23 percent lead, but that margin had eroded with the election only two days away.

A copyright Deseret News-KSL TV poll, released late Saturday, showed Snow holding a 48-35 edge.

The GOP heavyweights grudgingly admitted party defections in the district, due mostly to Orton's success in claiming to be a conservative Democrat who adheres to many GOP values.

The men said they had been meeting personally with some of the renegades, apparently including John Harmer, in hopes of closing party ranks.

Snow was not present at the news conference. His campaign manager, Clark Caras, said he was campaigning in central Utah.

On Thursday, the men joined Vice President Dan Quayle at an Orem rally to remind residents that the 3rd District is traditionally the most Republican in the country.

Allegations that Snow used his influence as a state senator in the mid-1980s to lure investors into a business deal masterminded by convicted stock swindler Michael Strand — and subsequent charges that he lied about his involvement — also have haunted his campaign.

The three prominent Republicans came to Snow's defense Saturday. Hatch, while saying he knows little about the allegations, said he relies more on his long acquaintance with the candidate.

"I don't think he misrepresented himself," Hatch said. "But I don't know. And I don't care.

"It has nothing to do with his values, his ability and his ethics to serve in the United States Congress," the senator said.

"Everybody who knows him says he is the most honest man they've ever met," Hatch said. "I think it's

(See GOP, Page A2)

Index

Find it

Accent	C1
Arts/Entertainment	F1-F8
Business	G1-G3
Classified Ads	G4-H3
Crossword	H2
Farm-Gardens	C2
Horoscope	E5
Legal Notices	G8
Lifestyle	E1-E8
Movies	F2-F3
National	A8
Obituaries	A4
Opinions	C4
Religion	C5
Sports	D1-D8
State	A6
TV Schedule	F2

Weather

Today will bring increasing clouds and slightly warmer temperatures across the state. High in the mid-50s. Showers likely to develop.

See Page A3.

Air Quality

Air quality remained good in all areas of the Wasatch Front, with little change in pollution levels expected.

To enjoy the convenience of Daily Herald home delivery, call 375-5103

N0000110

9 7 0 4 3 8 3 0 6 1 8

they can talk to their families. Last week, Iraq offered to allow hostages' relatives to visit Union at Christmas.

Iraqi officials have expressed fears the United States will use reports of maltreatment of captives as a pretext for a military strike.

Western leaders called the selective release of groups of hostages an effort by Saddam to split their alliance against him.

A French Embassy spokeswoman expressed appreciation for Iraq's

Iraqi territory, but hinted that had been the case.

About 12,000 [illegible] soldiers are deployed in the Gulf region as part of the 200,000-strong multinational force, made up mainly of U.S. troops.

On his U.S. jet, Baker told reporters he planned to consult over eight days in seven countries with leaders of a wide array of Arab and European nations, including a Moscow stop Thursday to see Soviet President Mikhail S. Gorbachev.

"This will improve the prospects for peaceful resolution, and, at the same time, permit us to be prepared to consider all options if peaceful ones don't work."

His plane landed at Shannon, Ireland, for refueling before continuing a journey that will include Bahrain, Saudi Arabia, Egypt, Turkey, Britain and France and a meeting in Cairo with Chinese Foreign Minister Qian Qichen.

The Soviet Union and China are permanent members of the U.N.

[illegible] Jordanian official said Aziz was carrying a message from Saddam [illegible] "ways to achieve peace." No details were disclosed.

Aziz accused the United States and Britain of "escalating their war rhetoric and threats." But he said there were expressions of interest in a peaceful solution being voiced elsewhere.

Iraq on Saturday requested an urgent meeting of Arab League foreign ministers in Tunisia.

UEA:

(Continued from Page A1)

can touch another human life."

Linda Peterson, representative for the national chapter, decried the growing hate, discrimination and abuse seen in society, and said the greatness of America is built on diversity.

She urged teachers to work against these forces: "What you say in the classroom and what you teach will have a significant impact on your students."

Delegates approved the following bills and resolutions:

• To increase the contribution to the political action committee assessed each member from $10 to $14, defeating a proposal that would have increased the amount to $18. Members will still have the option of not contributing.

• To increase the dues for retired members from $1 to $5.

• To allow the Fall House of Delegates to set the annual membership dues.

• To change organization election procedures and dates for filing for office, as well as write-in procedures.

• To express concern about the inappropriate use of non-certified personnel in the classrooms without adequate job descriptions and hiring standards.

• To review the use of non-certified personnel in the classrooms and develop recommendations for standards, guidelines and job descriptions for such use. These are to be presented to the 1991 Fall House of Delegates.

• To direct the UEA to continue its involvement with child advocate organizations that are focusing on the unmet needs of children in Utah.

• To direct the UEA Congressional contact team to urge Utah's Congressional representatives to support federal legislation that addresses the needs of children.

• To reaffirm the oganization's position regarding the use of standardized tests to make judgments about the quality of education or view them as "report cards" for each school.

• To direct the UEA compensation and legislative committees and ask the Utah Legislature, the NEA and U.S. Congress to provide studies, resolutions and legislation which change the criteria of national education dollars so that Utah can have a more equitable share of the money.

GOP:

(Continued from Page A1)

a tempest in a teapot."

"It's irrelevant to this campaign," Bangerter added.

Nielson, who has endorsed Snow, earlier had said he didn't believe Snow was forthcoming about the Global Oil-Unique Battery merger and said the candidate showed "poor judgment" in involving himself with Strand.

Caras has acknowledged those statements stung the candidate and may have hurt the campaign.

During the last few weeks, there has been a blooming "Republicans for Orton" movement in Utah County, which comprises much of the state's geographically largest and politically most conservative district.

"I urge Republicans not to pay attention to some of the nonsense — and it is nonsense — being put out there," Bangerter said. "It's unsubstantiated and it's false.

"Those who claim to be Republicans and support (Snow's) opponent are not telling the truth," the governor said. "We want [illegible] whose had questions raised in their minds to be absolutely convinced that Karl Snow is a solid Republican."

Many of the delegates at the party are arch-conservative Republicans who supported [illegible] in the vitriolic GOP primary. Hatch and Bangerter said they have been meeting with some of the wayward party members.

"Some of them wrongfully blamed Karl Snow for the difficulties John Harmer had," Hatch said. "A lot of them are turning and coming back to the fold."

Hatch met recently with Harmer himself, according to Mickey Cochran, who was Harmer's campaign manager.

An individual at Harmer's home said he was in Boston and unavailable for comment.

Harmer has, however, given the Snow campaign taped radio endorsements which began airing Saturday.

Telephone messages left for the candidate at Orton's campaign headquarters were not returned Saturday.

SEARS
correction notice

On page 2 of the Sears November 1 preprint, copy is transposed and does not correspond with the merchandise shown. The copy for infants' sleep'n plays and the copy for infants' and toddlers' sets should be transposed. We regret any inconvenience this may have caused our customers.

VOTE NORMAN L. NIELSEN

NEW IDEAS....NEW ENERGY

DISTRICT 60



"As Scera's President, Norm has brought us the SCERA Shell, Family City U.S.A., The Miss Utah Night Parade, Charlton Heston, and more. As a member of the State House he will be able to do even more for our community while he continues managing SCERA."

Joyce Johnson
Orem City Council &
SCERA Board of Trustees

"Norm is a valuable asset to our U.V.C.C. Foundation Board. His energy and creative approach have led to great growth on the campus. As a state legislator, he can help education even more."
Alden Tueller
Assistant to the President
U.V.C.C.

"We chose Norm as our Citizen of the Decade because of his positive impact in the community. We feel he'd have even more impact on our community as a member of the State House."
Joyce Clark
Kiwanis Board of Directors

"Norm has some creative solutions to our education problems. Let's get out and vote for him."
Jan Lewis
Alpine School Board

"Norm and Roseanne are strongly opposed to abortion. They support adoption as an alternative. They have done more than just talk about it; 2 of their 8 children are adopted ... all have attended Orem schools. Norm is a great supporter of education. He has served as P.T.A. Pres. and in many other ways."
Linda Campbell
Alpine School Board

"I've known Norm for over 45 years. He's not beholding to any special interest group. He's his own man. He will represent us all and do it with distinction."
Kelvin Clayton
Orem City Council

"Norm is a vital member of our Strategic Planning Commission. He's creative, open, and a team player. He gets things done."
Doyle Buckwalter
Chairman Orem's
Strategic Planning Commission

"Norm's roots in our community go back over 40 years. He understands our past and our future."
Norman Woodhouse
Orem City Council

UTAH HOUSE OF REPRESENTATIVES

REPUBLICAN

The Daily Herald

(USSN #891-2777)
Second Class Postage Paid at Provo, Utah
U.S.P.S. ID #143-060
Published Daily by SCRIPPS LEAGUE NEWSPAPERS, INC.
1555 North Freedom Blvd.
P.O. Box 717
Provo, Utah 84603-0717
KIRK PARKINSON, Publisher
N. LaVERL CHRISTENSEN, Editor/Editor Emeritus
1949 - 1989

POSTMASTER:
Send change of address to The Daily Herald
P.O. Box 717
Provo, UT 84603-0717

MEMBER
Audit Bureau of Circulation
NEA Service

HOME DELIVERY RATES
(by youth carriers)

1 Month, carrier	$ 6.25
6 Months, carrier	$49.50
One Year carrier	$99.00

MOTOR ROUTE AND RURAL DELIVERY RATES*

1 Month, carrier	$ 8.50
6 Months, carrier	$51.00
One Year carrier	$102.00

*Rates may differ outside of Utah County

MAIL RATES IN UNITED STATES

1 Month	$ 12.00
6 Months	$72.00
One Year	$144.00

HERALD TELEPHONE NUMBERS

ADVERTISING DEPT.	373-5050
EDITORIAL DEPT.	373-5050
BUSINESS OFFICE	373-5050
CLASSIFIED	373-5450
DELIVERY SERVICE	375-5103

BEEF PATTIES 1.29
PORK ROAST 1.99
PIZZA 3.99
CHOCO Nestle Semi-Swe Milk Choc
CHUNK TUNA 2/1.00
GRAPE JUICE 59¢
APPLE JUICE 49¢
VEGETABLES 69¢
CLAMS 59¢
DRESSING 1.39
DINNERS 1.79
ICE CREAM 3.69
PASTRY White/Gray Reg.
ROLLING PIN 4.99
CHEESE SLICER 3.99
LIGHT BULBS 1.99
3-WAY BULBS 99¢
LOVE YOUR P DOG GORIL
HOLIDAY TINS 8.99
SMALL HOLIDAY TINS 1.39
HOLIDAY PLATTERS 3.99
4 CAROLERS 29.99
LUNC Ham & Cheese, Eg Tuna Salad, Chips
MALT or SHAKES
WESTERN JACKETS 25% OFF
MENS 501/701 15.99
MENS CASUAL LONG SLEEVE 25% OFF
LADIES FALL FASHIONS 25% OFF
BELT BU & JEW

N000013

Expert on voice to lecture at BYU

Ingo R. Titze, a leading expert on voice, will discuss "Voices of Humans and Machines" in a lecture Thursday at Brigham Young University.

The lecture, at 11 a.m. in the Madsen Recital Hall, Harris Fine Arts Center, is free and open to the public.

Titze will divide his lecture into several topics, including vocal image personality, vocal power and new dimensions of voice synthesis. He will also discuss what is difficult for people to do vocally and what is easy for machines to do.

"I will do demonstrations with my own voice and with the computer," said Titze, a visiting faculty member at BYU from the University of Iowa. He is a professor of speech pathology and audiology.

Few on the world market can vie with Titze's experience, said Clayne Robison, director of vocal performance at BYU. "He is a scientist in the physics and aerodynamics of the human voice," Robison said.

Titze received degrees from the University of Utah in electrical engineering and earned a doctorate in physics from BYU. In addition to his duties at the University of Iowa, he is also the director of the newly formed National Center for Voice and Speech, funded by the National Institutes of Health.

He serves on the editorial board of the Journal of Voice, Medical Problems for Performing Artists Journal and chairs the International Vocal Fold Physiology Conference.

Titze has been featured in Smithsonian Magazine as well as on Cable News Network's "Science and Technology Today" and "Quantum," the science series by the Australian Broadcasting Corporation.

Poet Norris will read his work

Poet in residence at Brigham Young University Leslie Norris will read his own poetry and short stories Thursday at 7 p.m. in the Brigham City Library located at 26 E. Forest Street. Admission is $1.50 per person.

Tickets are available at the Museum.

Currently a resident of Provo, Norris was born in Wales and grew up in England where he studied under Dylan Thomas. He has an international reputation as a poet, and his work has received acclaim from the New York Times, The L.A. Times, Publishers Weekly, and The Houston Post. He writes children's poems, nature poems, prose, and short stories, and he won the Katherine Mansfield Award for the Best Short Story of

New Testament scholarship studied

SALT LAKE CITY — The New Testament will never be completely understood, contend the authors of a new book on early Christianity. For example, who is the real founder of Christianity? Is it Jesus, John the Baptist, or Paul? Which of Jesus' recorded sayings are authentic? What concerns prompted early Christians to portray Jesus and his teachings as they did?

Obert Tanner, Lewis Rogers, and Sterling McMurrin, authors of "Toward Understanding the New Testament," just published by Signature Books, offer readers "what contemporary scholarship generally regards as the most reliable traditions about what happened in the beginning of the Christian movement."

Each author brings an impressive array of credentials to the project. Tanner has written three previous books on the New Testament, is founder of the international series "The Tanner Lectures on Human Values," has received the National Medal of Arts, and is an Honorary Fellow of Linacre College, Oxford University.

Rogers holds a Ph.D. from the Graduate School of Religion, University of Southern California.

McMurrin has been a visiting scholar at Columbia University and Union Theological Seminary, and a Ford Fellow in Philosophy at Princeton University. He was United States Commissioner of Education during the administration of John Kennedy.

Readers of "Toward Understanding the New Testament," may be surprised to learn that some scholars believe that Jesus was born in Nazareth, not Bethlehem, and that the Sermon on the Mount was not the record of a discourse given in one time and place but a collection of sermons Jesus gave throughout his ministry.

The authors also describe the impact of the apostle Paul's teachings on the early Christian church. Paul taught that Christians were no longer required to keep any part of the traditional Jewish law. This idea was hard to accept for many early Christians who still saw themselves as Jews.

Tanner, Rogers, and McMurrin describe this ongoing debate without engaging new controversy. They feel that general readers are best served by a broad spectrum of insights from leading scholars rather than by encouraging arguments over details or unconventional interpretations.

Finally...the Truth!

JOURNAL COMMENT

Voters should look at issues, not listen to rumor, innuendo

Some important questions have been posed for voters in the 3rd Congressional District. They have to do with the integrity and moral stature of Republican candidate Karl N. Snow.

Is he a liar? Has he misled the public? Has he tried to cover up previous actions?

The Editorial Board of the Utah County Journal has carefully investigated these allegations and our conclusion is simple: Karl Snow is a good and honorable man. He is not a liar. He has broken no law. He is not being investigated by any government body. He is not being sued by anyone.

If you want to vote against Karl Snow, do it because you dislike his stands on the issues. Or because you don't think he is well qualified.Or because you don't think he has enough charisma. Or simply because you like Bill Orton (his Democratic opponent) better. But don't vote against him because you question his moral stature or integrity. That would be a waste of your vote.

Politics is a rough and tumble business. It's not a pursuit for the faint of heart. But even so, this whole affair has gone too far. We will not stand by as the honor and integrity of a good and honest man is

Even if what Snow's detractors said were true, and we doubt that, it would hardly be a damning indictment of Karl Snow.

Along with some of his detractors, Snow himself lost money in the businesses. Some investors blame Snow because they claim they invested in the companies on Snow's advice or because of his stature in the community. Sorry, but that's their tough luck. A speculative penny stock venture sometimes ends in disaster. Snow didn't get any of their money. He did nothing illegal. He lost money, too. The businesses were apparently legitimate. But they were not profitable for whatever reason, and the investors lost money.

On Wednesday, a so-called "citizen's group" (it was really a group of disgruntled investors and supporters of Snow's political opponents, hardly a broad based group), called a press conference to offer "explosive new evidence" about Snow's involvement.

Turns out, it was the same old stuff. Nothing new at all. Three people "testified" at the press conference: a polygamist, a Florida real estate agent and a convicted fire bomber — he once threatened to cut off the hand of a little girl

9 7 0 4 3 8 3 0 6 2 0

JOURNAL COMMENT

Voters should look at issues, not listen to rumor, innuendo

Some important questions have been posed for voters in the 3rd Congressional District. They have to do with the integrity and moral stature of Republican candidate Karl N. Snow.

Is he a liar? Has he misled the public? Has he tried to cover up previous actions?

The Editorial Board of the Utah County Journal has carefully investigated these allegations and our conclusion is simple. Karl Snow is a good and honorable man. He is not a liar. He has broken no law. He is not being investigated by any government entity. He is not being sued by anyone.

If you want to vote against Karl Snow, do it because you dislike his stands on the issues. Or because you don't think he is well qualified. Or because you don't think he has enough charisma. Or simply because you like Bill Orton (his Democratic opponent) better. But don't vote against him because you question his moral stature or integrity. That would be a waste of your vote.

Politics is a rough and tumble business. It's not a pursuit for the faint of heart. But even so, this whole affair has gone too far. We will not stand by as the honor and integrity of a good and honest man is unfairly attacked. We believe it is time for the media to show some leadership and tell it the way it is.

The media, with a few exceptions, have covered this whole episode very poorly. Most television reports have failed to put the story in the proper perspective or have missed salient points. Many newspaper stories, especially some in the Daily Herald, have been so poorly written as to be incomprehensible.

Thus, many citizens are confused. They're not quite sure just what Snow is accused of or what the issue is; but, with the intense media coverage, they are left with the impression that he must have done something wrong.

Here's what it boils down to. Despite all the talk of shadowy penny stock schemes and just whose signature appeared when, this matter is really not very complicated.

The whole issue is the extent of Snow's involvement in two obscure businesses and with a man named Michael Strand who was convicted of stock fraud (but not in connection with these businesses).

No one, except a badly misinformed young BYU student, alleges that Snow did anything even remotely illegal in his dealings with these companies or with Strand. No one denies that his good name was likely improperly used by Strand. His detractors simply claim he was heavily involved in the companies and with Strand. Snow has said from the first that he was involved with the companies, but only peripherally involved, essentially as an investor who lost money. That's it, folks. This difference of opinion is what this whole big issue amounts to.

Even if what Snow's detractors said were true, and we doubt that, it would hardly be a damning indictment of Karl Snow.

Along with some of his detractors, Snow himself lost money in the businesses. Some investors blame Snow because they claim they invested in the companies on Snow's advice or because of his stature in the community. Sorry, but that's their tough luck. A speculative penny stock venture sometimes ends in disaster. Snow didn't get any of their money. He did nothing illegal. He lost money, too. The businesses were apparently legitimate. But they were not profitable for whatever reason, and the investors lost money.

On Wednesday, a so-called "citizen's group" (it was really a group of disgruntled investors and supporters of Snow's political opponents, hardly a broad-based group), called a press conference to offer "explosive new evidence" about Snow's involvement.

Turns out, it was the same old stuff. Nothing new at all. Three people "testified" at the press conference: a polygamist, a Florida real estate agent and a convicted fire bomber who once threatened to cut off the hand of a little girl and mail it to her father.

The fire bomber, Percy Kalt, sang a different tune during a recent telephone interview. Questioned in September about his dealings with Snow, Kalt called Snow an honorable man with whom he had no problem. So, do we believe what Kalt said in September, or do we believe what he said Wednesday? Or do we believe him at all?

The BYU student who dredged up all sorts of strange accusations against Snow and published them in the independent Student Review is a cousin and former campaign worker for John Harmer, Snow's opponent in the very bitter primary election.

Given the choice, who would you believe? Karl Snow, or this assortment of odd characters?

Snow has been cleared twice by independent lawyers and CPAs. After the press conference Wednesday, CPA Scott Bramble and attorney Byron Smith, who conducted an earlier investigation, said nothing new was raised. They are still convinced that Snow acted innocently and in good faith.

Snow has served his community for 30 years in dozens of positions of trust. He has served, often at personal sacrifice, with honor and distinction.

He and his family don't deserve these attacks. He has become the victim himself. We encourage him to keep going, keep fighting.

On Nov. 6, vote your convictions based on issues and qualifications, not on scurrilous rumor and silly innuendo.

VOTE KARL SNOW
REPUBLICAN

Tuesday, November 6
Third Congressional District

Paid for by Snow for Congress Committee

N000014

22-year incumbent faces opponent for county recorder

Challenger Louise Fucile runs against Republican Nina Reid

Incumbent Utah County Recorder Nina B. Reid is facing opposition from Democrat Louise Fucile in Tuesday's general election.

Reid is a Republican candidate for re-election as Utah County Recorder, a position she has held for 22 years.

Reid has designed and developed an efficient, active microfilm program and has converted the recorder's entry, tract index, alphabetical indices and other records to an automated system designed to provide easy access and accurate data to the public.

She said the computerized system has saved many hours of duplication, prime storage and desk space, along with a substantial savings in tax dollars. There were 13 people employed in the Recorder's Office 22 years ago and now with quadruple the work load and much increased population, she employs only one additional person.

She said she is now working to help develop a unique, one-of-a-kind graphics system that will provide base maps to serve as a base for a multipurpose geographical information system. This can be used by all departments of the county, other levels of government, private utilities, commercial enterprises and the public.



She instigated a records storage program to better manage the storage, maintenance and proper dispositon of records, film and computer tapes for all county records.

She also generated a program of re-oumbering parcels of property (totalling appreximately 80,000 parcels in Utah County) to allevate some major problems that had existed.

She has been instrumental in writing, proposing and lobbying for legislation on both the state and national level to improve the administration of county recorder functions and preserve private property rights.

Unique to Utah County and under her direction is a system by which Louise Johnson Fucile is a candidate for Utah County Recorder on the Democratic ticket.

She is a descendant of the first pioneers who settled Utah Valley, and is a graduate of Provo High School. She attended BYU for two years, then served in the U.S. Navy as a Yeoman Third Class for five years, four of which were spent in Norfolk, Va.

She has been a resident of Orem for 13 years and is the mother of five children who are now adults.

"I believe that the most important responsibility for our elected officials is not only to take the oath of office with a promise to serve the people and to uphold the laws and regulations of the Constitution of the United States, but to obey and honor them as well," she said.

She believes present elected officials have failed to do this "by establishing laws which take away our constitutional rights and by making laws in the city ordinance which allows the mayor and city council full authority to make all decisions on all laws and regulations that prove to be for their own benefit and give favor to the wishes and desires of the few private interst groups and individuals."

She also criticized governmental entities which buy land at a high price then resell it at a lower price for the benefit of special interest groups, private individuals or businesses.

She believes such funds should be used for housing for the poor individuals who need assistance because of low income, or poor mothers on welfare in order for them to take care of their families, especially the ones whose fathers are no longer with them. Veterans and elderly could also use those funds, along with the homeless and handicapped, she said.

She urges voters not to forget the Timpanogos Mental Health scandal, and to stop such abuses by paying attention to what is going on in government, and by voting Nov. 6 for a change in leadership, "one with more than one party rule, which we now have, in order to guarantee checks and balances for a true, free democracy."

She said "no one is entitled to turn, down, dismiss and disregard, throw out or ignore any petition signed by the people, for it is going against our constitutional rights."

She promises, if elected, to let the people know what is happening in county government, and not allow secrets to be kepot from the people, such as what the present wages are. She said people have the right to know such information.

"In order for us to have this take place, we must all vote on Nov. 6 for a change in leadership, where democracy is ruled by a two-party system, and not by a communistic rule which we now have with a one-party rule," she said.

N0000015

Compare Karl Snow and Bill Orton
Republican vs. Democratic Platforms

	Karl N. Snow Republican	William Orton Democrat
Professional Background	Specialist in Public Management and Government Budgeting Systems, Development, BYU Vice President	Attorney at Law specializing in Real Estate Taxation, former IRS Attorney
Personal Residence	Resident	Sundance, Provo Canyon Resident of Provo since 1989
Family	Married to of Karl, III, Daniel D., Elizabeth,	Single
Elective Office	Twelve ye And for a time Majority Leader	No Experience
Community Service	Utah Judicial Advisory Council Citizens for Improving Provo City Government Chairman, Utah Constitutional Revision Commission Utah Innovation Foundation Project 2000, and Coalition for Utah's Future Warren Burger Task Force on	Member, Great Western Trail Committee

0622 0706

9704383062 3



LEGAL-EASE

A merchant may not regularly advertise a product at a low price and persistently sell substantially less than the model is sold and then try to sell them a more expensive one. This is known as "bait and switch."

* * *

A defendant accused of a crime has a constitutional right to a public trial.

* * *

Under the automobile "lemon" laws of Utah, the manufacturer is liable for costs of repair or replacement of a defective new car.

* * *

A person who sustains injuries when the car in which he was traveling is struck off the road by another car may receive compensation from the insurance company of the driver of his vehicle, even though there was no contact between the cars and the car forcing them off the road cannot be identified.

Brought to you as a public service by
BRADFORD & BRADY
[illegible] East 100 South
Provo, Utah
374-8272

Compare Karl Snow and Bill Orton
Republican vs. Democratic Platforms

	Karl N. Snow Republican	William Orton Democrat
Professional Background	Specialist in Public Management and Government Budgeting Systems. Development, BYU Vice President	Attorney at Law specializing in Real Estate Taxation; former IRS Attorney
Personal Residence	Resident of Provo Since 1936	Sundance, Provo Canyon Resident of Provo since 1989
Family	Married to Donna Dahl, parents of Kari, Jill, Melissa Houston, Daniel D, JeanMarie Andersen, Elizabeth, and Howard H	Single
Elective Office	Twelve years, Utah State State And for a time Majority Leader	No Experience
Community Service	Utah Judicial Advisory Council Citizens for Improving Provo City Government Chairman, Utah Constitutional Revision Commission Utah Innovation Foundation Project 2000, and Coalition for Utah's Future Warren Burger Task Force on Prison Reform/Industries President/Trustee, Utah Technology Finance Corporation	Member, Great Western Trail Committee
1990 Deficit Reduction Plan	Opposed, too many new taxes, too little expenditure reductions	Supports Democrat package for deficit reduction, higher taxes, limited expenditure reductions Opposed to any proposed freeze and calls the same voodoo economics
Freeze On Federal Spending	Supports GOP plan to freeze expenditures at 4% of 1990 budget, providing $50 billion in growth revenue for needed adjustments	
Program Cuts	Close obsolete military bases, reevaluate foreign aid, implement Grace Commission, proposals for eliminating waste and mismanagement	?
Taxes	Opposes new taxes	Proposes a new Transfer Tax, the equivalent to a national sales tax
1990 Civil Rights Bill	Opposed, would place burden of proof on employer and lead to quotas Supports the President's veto	Supports, would have voted to override Presidential veto
Parental Leave Bill	Opposed, places unrealistic burden on small business	Supports
Second Amendment Rights	Support, reserve right to regulate Assault Weapons	?
Right to Work	Support Right to Work laws	Supports union position
Limitation on Congressional Terms	Support 12 year limitation	?
Key Group Endorsements	U.S. Chamber of Commerce, and many Utah Businesses National Federation of Independent Businesses State and national medical and health care organizations Utah Education Leaders, Governor Norm Bangerter, Senators Garn and Hatch, Representatives Nielson & Hansen President George Bush, Vice President Dan Quayle, Former President Ronald Reagan, Former President Gerald Ford, Utah State Republican Party, National Republican Party, Farm Bureau and Cattlemen's Association and other key agricultural groups	The American Federation of United Mine Workers of and other labor organizations Support and funding from Congressman Wayne Owens, and the Democrat Party

VOTE, Tuesday, November 6
Vote on Issues

Paid for by Snow Congress Committee

N000016

Inside Today:

Mary Martin, actress who played Peter Pan, dies of cancer at 76
Page A3

Sports
'Niners now 8-0 after 24-20 win
Page B1

State
Girl finds ring of crash victim
Page C3

Lifestyle
Part 2 of series: Working moms
Page C7

The Daily Herald

Monday, November 5, 1990 — Central Utah's Newspaper for 116 Years — Issue No. 97, Provo, Utah — 50 Cents

N000017



AP Laserphoto

Secretary of State James Baker gives troops the thumbs up Sunday in the Saudi desert.

Snow, Orton battle draws to close as election nears

By PATRICK CHRISTIAN
Herald Staff Writer

Democrat Bill Orton's and Republican Karl Snow's battle for headlines in their race for the 3rd Congressional District seat will end Tuesday when voters go to the polls.

Polls for the general election will be open from 7 a.m. to 8 p.m.

There also have been at least two third-party candidates. American Party candidate Robert J. Smith and Socialist Workers Party candidate Anthony Melvin Dutrow running in the background for the 3rd District seat.

Announced write-in candidates Gene Metzger Agin and his wife Linda Metzger Agin and W. Manning Hampton Jr. are also 3rd District hopefuls.

Bill Orton

Bill Orton, who was born and raised in North Ogden, put aside his practice as a tax attorney in April, saying he was committed to spending the months before the election listening to voter concerns and asking for their votes.

His main theme has been change and, as he puts it, "fresh new ideas."

"I have the same values and same beliefs I think the majority of the district holds."

The 42-year-old bachelor graduated from Brigham Young University with a bachelor of science and juris doctorate degree.

He said as an attorney he has worked closely with staff members of the House Ways and Means and Senate Finance committees and Legislation and Regulation Division of the Internal Revenue Service.

Before practicing law, Orton worked for the IRS for 10 years.

He is also president of Tax Training Institute, Inc. of Portland, Ore., a school that conducts continuing education programs for certi

(See ELECTION, Page A2)

Related stories, C1-C2



Karl Snow — Bill Orton

Baker talks with Kuwaiti emir

Iraq lets hostages call home; USS Midway enters gulf

By The Associated Press

The U.S. secretary of state met today with the exiled emir of Kuwait, and there were indications that Iraq was moving to further

reiterated in weekend phone calls by some hostages.

Other hostages told their families not to give in.

"He said the telephone call was

ning to spend the holidays with John."

Meanwhile, a British lawmaker said families of the hostages should stop complaining.

Spotlight on 3 governorships

By The Associated Press

A pessimistic electorate is hearing the final, frenzied appeals of a mid-term campaign in which the governorships of California, Texas and Florida are the key to partisan hopes for victory. Neither party is anticipating major changes in Congress although several senior legislators are battling for survival.

Republicans are increasingly optimistic about their prospects for



attention than the pitched battle in North Carolina between Republican Sen. Jesse Helms and Democratic challenger Harvey Gantt. The race was too close to call, with everyone wary of opinion surveys in a polarizing contest between Helms, the symbol of hardline conservatism, and Gantt, the black former mayor of Charlotte.

Two other senior Republicans were battling unexpectedly tough challenges.

ELECTION:

(Continued from Page A1)

fied public accountants and attorneys.

Orton is also chairman of the advisory board of the Real Estate Tax Institute Foundation of Washington, D.C., and he has served as the trustee and president of his homeowners association at Sundance and as a trustee of the Great Western Trail committee.

His biography states that he has been active in the leadership of his church and in community affairs, and is an avid sportsman interested in fishing, hunting, skiing, hiking, camping and training, breaking and riding horses.

He is 42 and is yet to have married.

Karl Snow

Karl Snow took a leave of absense from his position at Brigham Young University where he was vice president of development to run for the 3rd District.

Snow was first elected to the Utah State Senate in November 1972.

He ran unsuccessfully for governor, competing against fellow Republicans Norm Bangerter and Dan Marriott.

After the state convention, he ran as lieutenant governor on Mr. [illegible]'s ticket against Bangerter and lost.

In the Senate, he was chairman of the state standing committee on state affairs and chairman of several other committees.

In 1965, Snow served as a consultant to the Maxwell Committee on Legislative Reorganization. His report on legislative fiscal oversight provided for the creation of the Office of State Legislative Analyst.

He also was appointed as Utah's first legislative fiscal analyst and established the first econometric models for projecting state revenues.

He is currently president and trustee of the Utah Technology Finance Corp.

Like Orton, he has emphasized having the same values that the majority of voters in the district hold. He has also emphasized his experience in state government.

Snow, 60, is married to the former Donna Dain, and they are the parents of six children and also grandparents. His biography states that he is active in his church.

Robert Smith

Robert Smith, the American Party candidate, says he is a constitutionalist and is "firmly convinced that America's only way out of its dilemmas is a return to our contitutional roots, both in principle and in political practice."

A native of Salt Lake City, Smith has lived in Utah his entire life.

He recently retired from the defense electronics industry and now owns the American Publishing Co. and two related businesses.

He joined the American Party in 1972, three years after its inception. He is now a member of its national board.

"Smith believes strongly that the government has become too powerful and has over stepped limits set by the U.S. Constitution.

He says if elected he would fight high taxes. He said he would fight to get the federal goverment out of welfare and foreign aid.

He opposed federal day care and federal intevention in local schools. He opposed price controls on gas and oil and opposed any form of gun control. He supports state control over environmental decisions.

Smith said that the Soviet Union is not a friend of the United States and should not be given aid.

Anthony Dutrow

Anthony Melvin Dutrow of Price works for Jennmar Corp. in Helper and his wife works for Cyprus-Plateau Mine in Wattis, Carbon County.

He has been active in supporting organized labor in Carbon County and throughout the state and active in the Socialist Workers Party.

The 46-year-old candidate said he was also a civil rights worker in the South in the 1970s.

He said he has been active in the unionization of several companies and strikes against big companies.

Dutrow said that he and the Socialist Workers Party are against the United States becoming involved in a war in the Middle East.

He said a war would hurt the working classes of America. He is calling for a withdrawal of all troops from Saudi Arabia.

Gene Metzger-Agin
Linda Metzger-Agin

Gene Metzger-Agin and his wife Linda of Pleasant Grove said they are winners even if they lose their write-in bid for the 3rd Congressional District, because they have enjoyed campaigning to people they care about.

Metzger-Agin said he is 53 years old and was born in Kansas — moving to Utah County in the 1970s.

He said he is blind, has an artificial leg, and that he and his wife have been long-time supporters of help programs for the poor and handicapped.

His wife is about 40 years old and said she was born and raised in Nebraska. She said in addition to being strong advocates for the poor and handicapped, they are also strong supporters for the elderly.

She said that it is important to work to ensure that every American's voice is heard and received at all levels of the political process.

"There should be more public input into government," she said.

She said the press also needs to realize there are more than two political parties and make more concessions for the views of other candidates so voters will realize the scope of their choices.

W. Manning Hampton Jr.

W. Manning Hampton lives in West Valley City, has no phone and has done relatively little campaigning since filing as a write-in candidate in April.

Air Pollution

The following information is taken from the Wasatch Front air pollution report compiled by the Utah Bureau of Air Quality. The complete report is available by telephone at 373-8660.

Conditions as of 8 a.m. were as follow:

Residential Areas

UTAH COUNTY	good
Salt Lake	good
Weber	good

Downtown Areas

PROVO	good
Salt Lake	good
Ogden	good

Overall Air Clarity

The air quality for today was good in all areas along the Wasatch Front.

Outlook

Forecast called for little change in pollution levels with a clearing index of 1000+.

24-Hour (Index) Highs

North Provo	oz	ns
North Provo	co	11
Lindon	pa	10
Provo	co	33

The (Index) Scale

0-50 good air; 51-100 moderate; 101-199 unhealthful; 200-299 very unhealthful; 300 and above hazardous.

Abbreviations

co = carbon monoxide

ATTACK:

(Continued from Page A1)

troops are dug in. They are supported by an estimated 150,000 elite Republican Guard troops along key resupply lines between Kuwait's northeastern border and the Iraqi city of Basra.

Iraq's defensive position in Kuwait is described by military officials as elaborate. It includes multiple layers of infantry and barriers such as mine fields, earthen mounds and anti-tank ditches. Behind these are mechanized units that can quickly reinforce the front-line infantry and cover its flanks. And behind these are mobile "ready reserve" units capable of counterattacking or blocking a move by Saudi-based ground forces to go around Kuwait.

Iraq also has an estimated 50,000 troops along its southern border west of Kuwait. The Pentagon disclosed Friday that "significant" Iraqi forces also are deployed on the border with Turkey, but that no buildup has been detected on the Syrian border.

If Bush ordered an attack any time soon, U.S. commanders in the field would have a wide array of firepower on which to draw, in combination with a variety of air, ground and naval forces deployed by Britain, France and about 20 other nations.

About 240,000 U.S. forces are now in the Persian Gulf area, and allied forces total more than 100,000. The Pentagon said it plans to send as many as 100,000 more troops, but it would be several weeks before they get there and get ready.

Joshua Epstein, a defense analyst at the Brookings Institution, a Washington think tank, said there is little doubt that American forces now in Saudi Arabia could win a fight for Kuwait. The only doubt is whether the cost would be acceptable.

"You can do an offensive and you can win, but it won't be cheap," Epstein said, adding that estimates of probable American deaths range beyond 10,000.

RE-ELECT
TIM MORAN
YOUR FULLTIME REPRESENTATIVE
District 66 Southwest Provo, Spanish Fork
Mapleton & Palmyra



VOTE:

(Continued from Page A1)

ki was challenging appointed Democratic Sen. Daniel Akaka.

All told, 36 states will elect governors on Tuesday and voters will fill 34 Senate seats and the entire U.S. House. Sen. J. Bennett Johnston of Louisiana won re-election last month when he received more than 50 percent of the vote in an open primary contest against former Ku Klux Klansman David Duke.

Democrats control the Senate by a margin of 55 to 45 and the House 258 to 175. Of the nation's governors, 29 are Democrats and 21 are Republicans.

A nationwide New York Times-CBS survey depicted an electorate pessimistic about the economy and unhappy with its government. The survey of 1,445 adults reported that nearly four in 10 people surveyed expect things to get worse in the country. Only three in 10 expect them to improve.

Two-thirds of those responding believe the economy is in bad shape and 77 percent believe government is run by special interests looking out for themselves.

Ronald H. Brown, chairman of the Democratic Party, predicted Election Day gains across the board, adding to the party's majority of the nation's governors and increasing its margins of control over the Senate and House.

White House staff chief John Sununu said he was "real" to declare victory if the Republicans avoided the losses in Congress generally absorbed by the president's party in his first midterm election.

"What we have set as a goal is to be significantly better than the average result in an off-year election," said Sununu.

Courthouse dedication tomorrow

The 4th District Judicial Center, a new building located at 100 West and 100 North in Provo to house the 4th District and Provo 4th Circuit Courts, will be dedicated Tuesday.

The event begins at 10 a.m. on the second floor of the building in the north courtroom.

District Judge Cullen Y. Christensen will give remarks along with Circuit Court Judge Patrick McGuire, State Court Administrator William C. Vickrey, Utah Supreme Court Justice Richard Howe and Neal Stowe of the state building board.

An open house will follow the dedication with tours given through noon. The public is invited to attend the dedication and participate in the tours.

GULF:

(Continued from Page A1)

royal court of all sorts of Western pilgrims who visit him to obtain the release of hostages," the minister, Mark Eyskens, said in Brussels.

Italy called a meeting of European Community foreign ministers in Rome tonight to consider the continuing breaks with the EC policy opposing negotiations with Iraq over freeing the hostages.

In the Saudi resort town of Taif today, Secretary of State James A. Baker III met with Kuwait's exiled emir.

After the meeting, Baker said: "This crisis is entering a new phase, and while we are still seeking a peaceful political and diplomatic solution, we have to put ourselves in a position where we would be able to exercise any options that might be available."

Baker said he had not discussed a military timetable with the emir. He said "the entire international community" was seeking a peaceful solution to Iraq's occupation of Kuwait, adding: "I don't think that we can or should we rule out resort to force if that should be necessary."

Sheik Jaber al-Ahmed al-Sabah said he would like to see his

COURT:

(Continued from Page A1)

The court, without comment, rejected arguments by Ohio officials that younger workers forced to retire because of disabilities are entitled to greater benefits.

The appeals court vote in the homosexual soldier case was 7-4.

In the appeal rejected today, Bush administration lawyers had argued that the federal government never should be barred from applying a valid regulation such as the Army's ban on homosexuals.

Watkins was drafted during the Vietnam war, in 1967. He was 19.

In filling out a pre-induction medical form, he marked "yes" in answering a question that asked whether he had homosexual tendencies. He was inducted anyway, and subsequently was allowed to re-enlist three times.

After two tours of duty in Korea, Watkins was stationed at Fort Lewis, near Tacoma.

From 1967 through 1980, he was the subject of three Army investigations. Each one was sparked by Watkins' telling some superior about his homosexuality, but after each investigation he was allowed to re-enlist.

In 1981, the Army adopted a new

N000018



The Daily Herald

on:

Local

Monday
Nov. 5, 1990

C1

ers are fathom



Duane Jeffrey

SCIENCE & SOCIETY

with DNA? They are simply beyond our ability to really comprehend; they are too far from the figures of our daily existences. So we play with analogies — and now we must all go back to the two columns of Sept. 17 and 24, substitute 4000 for 28, and really get some comprehension of the scales involved in the Human Genome Project. A line of newsprint, using only four letters repeatedly jumbled up with each other, 4000 miles long? That's about the distance from Provo to Honolulu, or from Kennebunkport to London! And we're going to decipher the entire sequence? Incredible!

And it is no wonder that we will need heavy-duty computering to keep track of all the sequences. Indeed, it is felt that advances in computer technology for handling the huge masses of data involved may be one of the first big spin-offs from the project.

For each laboratory involved in the project will resolve certain sequences, comparable to, say, the distance from Provo to Cedar Fort. Another lab will be doing Cedar Fort to Vernon, say, but there are no road signs to tell us where one stops and the other begins. At the risk of overly-mixing metaphors, it will be somewhat like the building of the continental railroad in 1869 — the two companies building right past each other and duplicating effort for miles. And the sequencers will do the same thing; it will be the computers that will pick up the overlap [illegible]

Three vie for Utah County Attorney

Collins, Christian and Bryson battle

Three men are vying in Tuesday's election to be Utah County Attorney.

C. Robert Collins, the Democratic candidate, states that freedom requires checks and balances.

When opposition is removed and one party gains total control of government, our system fails. Utah County now has a one-party system and is experiencing the problems associated with lack of checks and balances, he said.

If elected, he said he will work for victims' rights. He claims a substantial number of crime victims in Utah County are generally dissatisfied with their treatment by the Utah County Attorney's Office.

He has outlined 15 principles he will follow if elected county attorney, including work with victims groups and victims to make sure they receive fair treatment and vigorous prosecution of the offenders. He will establish written policies and procedures for the department, will work to train the staff, and will offer regular training and on-site assistance to local law enforcement departments.

He graduated from Brigham Young University and from the BYU law school. He also holds a degree from the U.S. Army Finance School, from the Defense Department School of Journalism and from the Phoenix, Ariz. Police Academy.



He has received certificates for courses completed in police investigation, supervisory methods, economic crime investigation, FBI law enforcement instructor development, research and evaluation, supervisory practices and drug enforcement by the DEA. He has 124 hours of continuing legal education beyond law school and numerous police in-service training hours.

Collins has been a trial lawyer in private practice for 10 years.

He said he will work with the courts, public defenders, attorneys, police and citizen groups to address the concerns of each in the handling of public legal matters. He said he will establish a policy on plea bargaining to cut the cost of litigation, while pressing matters where plea bargaining should not occur.

He said he will establish a victim unit and a diversion unit, and will establish special task forces to deal with special types of criminal conduct, such as child abuse, spouse abuse, offenses against the elderly, economic crime, etc.

William S. Christian is running as an Independent candidate for county attorney.

He states that he is not a Republican; not a Democrat; not a politician. He offers:

- Non-political oversight in the county attorney's office. He would hire a deputy county attorney (at present, he would select Robert Collins) to be the full-time person handling the day-to-day prosecutions and investigations.
- Non-political watchdog over the county commissioners. He would attend all meetings if allowed, and oversee the activities of the commissioners to stop any illegal actions and if necessary, prosecute any and all infractions of the law, no matter who did it.
- Consumer protection.

He said he wants to ensure that the office of the county attorney does not develop a mindset of "we" vs. "them" and that all individuals get a fair shake regardless of age, race, creed, sex, political persuasion or money.

"To accomplish this I would take only a $24,000 salary and disclaim the rest of the $60,000 plus salary for the hiring of expertise.

Christian received his juris doctor degree from Brigham Young University law school and also has a masters degree in management from Krannert Graduate School of Industrial Administration at Purdue University.

At present, he is working for a local financial planning firm as in-house counsel, and also as phone attorney for the state's Syntrom Legal Services (civil and business matters). He is also a solo attorney with practice focused in estate planning, credit management and financial planning.

(See ATTORNEY, Page C2)



Herald Photo/David Dahl

Sorority service

Rachel Crawley, Provo; Alisha Powell, Tustin, Calif.; and Liz Wilcox, Downey, Calif., help clean up litter from the shoulder of N. University Avenue as a community service project. The girls say they are members of BYU sorority Kappa Phi Omega.

Little change expected in Legislature

SALT LAKE CITY (AP) — Both Republican and Democratic leaders say it is unlikely much will change in the Utah Legislature after Tuesday's balloting.

At most, they predict a change of three, perhaps four seats in the 75-member House, and seat or two in the 29-member Senate.

"This will not be a big-change year," said House Majority Leader Craig Moody, R-Sandy. "No way we see another 1986."

Four years ago Republicans were caught sleeping. A group of young, aggressive Democratic candidates [illegible]

N000019

Karl Snow
is the right choice for Congress.

- 30 years of legislative experience
- The only candidate endorsed by the National Chamber of Commerce
- Supports the line-item veto
- Opposes the Wayne Owens Wilderness Bill
- A fiscal conservative with the legislative skills to make a difference in Congress

Karl Snow will represent Utah values in Washington D.C.
He will be effective in fighting against a Democratic Congress with its agenda of raising taxes, porkbarrel legislation and increasing social programs.

We are voting for Karl Snow on Tuesday, Nov. 6th. Join us.

Joseph A. Jenkins, Mayor of Provo City

Stanley D. Adams, Mountain Fuel Supply Co.

Willford W. Clyde, Geneva Rock

Don Peay, Mountain Fuel Supply

Gordon W. Bullock, Chairman, Provo City Council

Paul Sybrowsky, Dynix

J. Guy Gleed, Utah Valley Dental Lab

Jeff Alexander, Alexander's Print Shop

Ron Lasi, Provo City Council Member

Bill Aaron, Merrill Lynch

Joseph A. Cannon, Geneva Steel

Linda P. Walton, The Walton Group

Don Butler, Jones Paint and Glass

Steven Shallenberger, Eagle Marketing

Mel Hudman, Premium Oil

Hal M. Magleby, Magleby Enterprises

Marne Huff, Mayor of Spanish Fork

Blaine Willis, Mayor of Orem

Howard C. Nielson, Congressman, Utah's Third District

Charles Warren Sr., Color Dent Prosthetic

Robert E. Adams, Merrill Lynch

Stephen D. Clark, Provo City Council Member

Christopher B. Cannon, Cannon Enterprises

C. Verl Clark, Provo City Council Member

Mark Burdge, Burdge and Associates

Carol Thorne, Holiday Inn of Provo

Carl Bacon, Developer

Joy James, Zions Bank

Raylene Ireland, Ireland & Associates

The Utah Republican Party

9704383006227

N000020

nners
synonym



Will Grigg

At Home

Episcopal Church: "Decades of tax exemption benefit ... were diverted to a private sectarian church." Herein lies the gravamen of CTTR's complaint.

Chris Allen is the director of the Utah chapter of the American Atheists; Richard Andrews is the founder and co-director of the chapter and was the 1988 chapter director of the year. Allen is also a spokesman for the Utah chapter of the "Society of Separationists," which has been agitating for an end to the use of Utah churches as voting sites. There is no reason to believe that "Citizens for True Tax Reform" — an organization with a known membership of two individuals — is anything more than a branch of American Atheists of Utah.

Spokesmen for both the Utah Tax Commission and the embattled hospitals are too exquisitely polite to point this out; as I labor beneath no such burden of civility, I will do so.

Does this invalidate whatever merits may be found in CTTR's brief against the current standards? No. However, during the past five years, this issue has been scrutinized by both the State Tax Commission and the Utah Supreme Court; it has been the subject of a ballot measure. In none of these instances has CTTR's position prevailed.

Anytime an exemption is awarded, there exists the potential for abuse, and there is a case to be made for scrutiny. However, the best case made by CTTR is that non-profit hospitals are, with malice of forethought, managing their own money and are impermissibly tainted through association with religion.

The pubic good is not served by miniscule interest groups who occupy themselves with the task of auditing the defects of the beliefs of others; this enterprise is the vocation of the entity of which CTTR is a tentacle. The politics of grievance-mongering is as American as welfare fraud, and it is largely responsible for our current predicament.

with arrests

Police beat

and got stuck.

"They were lucky they didn't hit another vehicle," Nielson said.

The three youths fled into a muddy field, as about 10 police units surrounded the scene.

The juveniles were arrested on a charge of auto theft, felony evasion, and gang-related activity.

"We haven't had a chance to use that statute — gang-related activity — before," Nielson said. "It'll be kind of interesting to see the outcome."

The statute applies when three or more people are involved in a criminal offense.

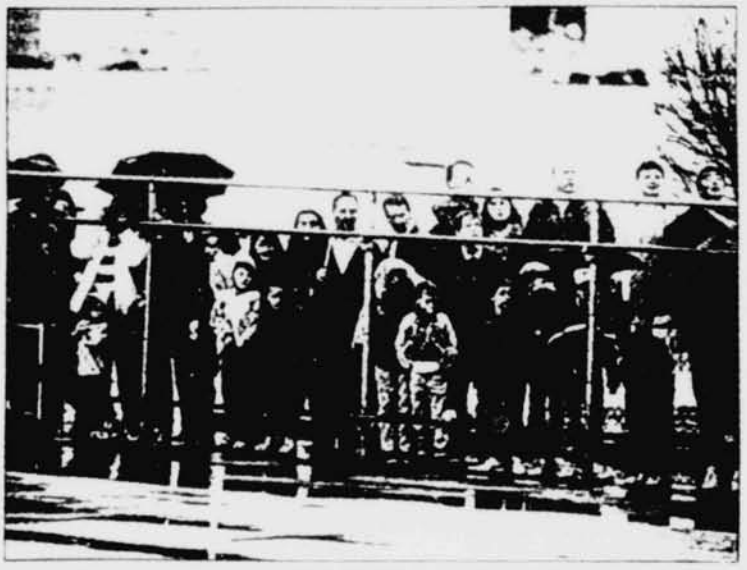




Quayle visits

Above: While flanked by Secret Service agents, Karl Snow holds an umbrella above his wife Donna and Vice President Dan Quayle.
Left: Snow supporters cheer at UVCC while Ortho backers use the Snow placards to their advantage.
Below, left: Onlookers await the landing of Air Force Two outside a fence at the Provo Airport.
Below: A lone White House aide awaits Air Force Two on the tarmac at the airport. The phone has a direct line to the White House in case of emergency.

Photos by
Trent Nelson and
Dave Dahl





9704383062 8

N000021

9 7 0 4 3 8 3 0 6 2 9

N00002

Inside Today:
Hearing on proposed abortion limitation bills is held in Orem
Page B1

World
Thatcher taking political heat
Page A3

Lifestyle
Art Linkletter still optimistic
Page B5

Sports
AFA hopes for ground success
Page C1

The Daily Herald

Friday, November 2, 1990 | Central Utah's Newspaper for 116 Years — Issue No. 94, Provo, Utah | 50 Cents

Vice president flies into Provo to promote Snow

Snow praises Quayle's visit

By MITCH WILKINSON
Herald City Editor

Paul Snow held an umbrella over Vice President Dan Quayle while walking from Air Force 2 at Provo Airport, but it was Quayle's job to deflect some of the rain that has been falling on the GOP candidate for Congress.

And according to Snow, who is seeking to follow Rep. Howard Nielson as the congressman for the 3rd District, Quayle's visit to Provo Thursday was successful at rekindling the often muddled affairs of the local race.

I think it's done much for my campaign and more for the party effectively. It has helped focus the attention on issues and will help get out the vote and that will be very good for me," Snow said.

The candidate facing Democrat Nita Tolton in next Tuesday's election said after Quayle boarded Air Force 2 that he was pleased with the way the day went. Both Snow and his wife Donna were all smiles in describing their first meeting with the vice president.

The Snows, who rode in the limousine with the vice president, described Quayle as being friendly, "very laid back" and easy to talk to. They, however, did not discuss last-minute campaign strategy, Snow said.

"We talked about skiing and about he and his family coming out to Lake Powell sometime," he said, explaining that Quayle has never been to the popular Utah recreation spot but hopes to soon.

The 3rd district race has been clouded with allegations made against Snow of misconduct in the past. The allegations focus on Snow's past relationship with convicted stock swindler Michael Strand.

But neither Snow's past nor his opponent were discussed much, save for Quayle's advice that Republicans for rather, shouldn't do it. One thing President George

Related photos, B1

both there not need to vote Democrat in Congress," he said.

Snow said he was particularly pleased with Quayle discussing such issues as the line item veto for the president and a balanced budget amendment. Both of which Snow says he supports.

Quayle said during a 15-minute press conference at the airport that "If we had a Republican Congress, we wouldn't have had to consider raising taxes. If we had a Republican Congress, we would have a line item veto and a balanced budget amendment."

The vice president noted that the last time Republicans con-

(See QUAYLE, Page A2)



Herald Photo-Trent Nelson

Vice President Dan Quayle gives a high-five to one of the Sunset Elementary School students who gathered to see him.

ing about 1,000 Americans, remain in Iraq and Kuwait. Iraq has selectively freed hundreds of them. The latest mass release was of about 300 French nationals this week.

Iraq has said relatives of the hostages should come visit them over the holidays, but Western governments have responded skeptically and advised citizens not to travel to Iraq.

The Iraqi Foreign Ministry today criticized that reaction, saying that the United States and Britain "have no respect for human values."

Air Pollution

The following information is taken from the Wasatch Front air pollution report compiled by the Utah Bureau of Air Quality. The complete report is available by telephone at 373-8560.

Conditions as of 8 a.m. were as follow:

Residential Areas

UTAH COUNTY	good
Salt Lake	good
Weber	na

Downtown Areas

PROVO	good
Salt Lake	good
Ogden	good

Overall Air Clarity

The air quality for today was good in all areas along the Wasatch Front.

Outlook

Forecast called for a slight increase in pollution levels with a clearing index of 1000+.

24-Hour (Index) Highs

North Provo	oz	na
North Provo	co	11
Lindon	pa	10
Provo	co	33

The (Index) Scale

0-50 good air; 51-100 moderate; 101-199 unhealthful; 200-299 very unhealthful; 300 and above hazardous.

Abbreviations

co = carbon monoxide
oz = ozone
so = sulfur dioxide
pa = particulates

Note

The Utah County residential area reading is taken from the Lindon monitoring station.

The State of Utah has identified the following as primary sources of pollutants in Utah County: co = vehicles; oz = vehicles and gas vapors; and pa = heavy industry.

stock dealer Michael Strand and Unique Battery/Global Oil.

Asked if he was in Provo because Snow's campaign was in trouble, Quayle said the 3rd Congressional District race was one without an incumbent running and thus warranted a vice presidential visit.

Quayle said that although Snow has a comfortable lead, this is no time to take the race for granted.

"Any time you have a great congressman who is going to retire in this district, you're going to have a competitive race," Quayle said.

"There is no doubt in my mind and no doubt in President Bush's mind that Karl Snow will be an outstanding member of the House of Representatives in the United States Congress."

Asked about a split of some

QUAYLE:

(Continued from Page A1)

trolled the Congress was in the mid-1950s when he was 7 years old.

Prior to Quayle's arrival, Snow said the visit should not be interpreted to mean that his campaign is in trouble.

If that were true, the National Republican Party would have given his campaign more money, he said. Thus far the national GOP has given the traditional $5,000 primary election donation and the $5,000 general election donation.

Nevertheless, he said he is conducting his campaign as if he is behind in the polls and said he would have done that no matter who his opponent was.

Orton said he was disappointed he wasn't invited to see Quayle's arrival or talk at the college.

But he added that he was encouraged by the entire event.

"I think it shows that Snow's campaign is frantic," said Orton. "You don't get the vice president and all the senators and representatives out if they feel Snow is a slam-dunk easy win."

He said the GOP is pulling out its big guns to bolster Snow's campaign. "But I don't know if a visit by Dan Quayle will really bolster his campaign."

POSTMASTER:
Send change of address to:
The Daily Herald
P.O. Box 717
Provo, UT 84603-0717

MEMBER
Audit Bureau of Circulation
NEA Service

HOME DELIVERY RATES
(by youth carriers)*

1 Month, carrier	$ 8.25
6 Months, carrier	$49.50
One Year carrier	$99.00

MOTOR ROUTE AND RURAL DELIVERY RATES*

1 Month, carrier	$ 8.50
6 Months, carrier	$51.00
One Year carrier	$102.00

*Rates may differ outside of Utah County

MAIL RATES IN UNITED STATES

1 Month	$ 12.00
6 Months	$72.00
One Year	$144.00

HERALD TELEPHONE NUMBERS

ADVERTISING DEPT	373-5050
EDITORIAL DEPT	373-5050
BUSINESS OFFICE	373-5050
CLASSIFIED	373-6450
DELIVERY SERVICE	375-5103

Copyright
Scripps League Newspapers, Inc. 1990

Take advan
savings and
$25 - $50 trad
on your o
(*Selected

FIND THE LARGEST

A

A Stronger

We need a legislator who will listen to our
introduce legislation that will help us, whil
under control. **Charlie Bates is committe
government efficient**, and at the same tim
to maintaining the good quality life we enj

He also understands the needs of our educa
Utah. **Charlie has served more than 15 y
educational councils and committees.**

Utah needs more jobs. As **co-founder and
Incorporated**, Charlie has been involved w
several new businesses in Utah Valley and
need. **Charlie is committed to bringing n**

His business experience is needed to help n
government budget and to control goven·n
**Charlie Bates is committed to making Ut
economy strong.**

N000023

Republicans turn out for Quayle visit

By PATRICK CHRISTIAN
Herald Staff Writer

Thursday was clearly a day of great consequence for well-connected Republican Congressional Candidate Karl Snow's political campaign.

A laudatory Vice President Dan Quayle flew into the Provo Airport saying, "I'm here for Karl Snow because we want him to be Utah's next congressman."

Asked how well he knew Snow, Quayle said he knew Snow through the assurances of Sens. Jake Garn and Orrin Hatch and took their word that Republicans should also support Snow for congress.

Quayle spoke at a press conference in a Rocky Mountain Helicopter hanger and after its conclusion shook hands with the helicopter workers.

Air Force Two landed around 2 p.m. in a light drizzle and Sn and his wife Donna walked out in the rain alone to meet Quayle.

(See VISIT, Page A2)



Herald Photo/David Dahl

Vice President Dan Quayle speaks as Karl Snow (right) looks on Thursday at Provo Airport during a news conference. In back are Sen. Jake Garn (left) and Sen. Orrin Hatch.

Exemptions allowed public release of tax case

HERALD STAFF REPORT

State tax commissioners relied on two exemptions within the Tax Commission Rules as authority for publicly discussing details of congressional candidate Bill Orton's tax fraud case.

The decision came last Friday at a meeting of commission spokeswoman Janice Perry and all four commissioners, Perry told The Daily Herald late Wednesday.

The key to the commission's decision to discuss the case was the discovery that Orton's many, did not rest on gleaned from his tax r ry explained.

Utah state law (S orders commission wo " ... make known in any information gain from any return file commission."

Perry acknowledged mission officials rebu

ers' early attempts to penetrate g Orton's tax it, she said, on rned out to be

ide reporters' lated, commis- up the paper- se and realized lve information tax returns — nation that the den to discuss.

"Our initial assumption," Perry said, "was that this was an individual's income tax case and the state statute is very stringent about our ability to comment on such matters."

State laws governing what the commission can release are augmented by the commission's standing rules. Those rules spell out certain conditions under which the commission can choose to disclose

(See ORTON, Page A2)

U.S. jobless rate holds at 5.7% in October

WASHINGTON (AP) — America's unemployment rate held at 5.7 percent in October even though U.S. industries posted broad job a row, the agency said.

"This is strong evidence that the economy really has lost its footing now and slipped into recession."

said its Index of Leading Economic Indicators dropped 0.8 percent in September for its second straight decline. Three consecutive drops in

construction, manufacturing and retail trade in October caused overall non-farm payrolls to drop by 70,000, the Labor Department

Ira
m

By Tl
Four m
will likely
diplomats
acted ang
efforts to
tives from
holidays.
Pr nt
noun S
that the ho
Bush sug
some form
president
ler — rais
comparing
ordered th
lions of pe
Also to
crown prin
said econo
and efforts
to the gulf
time" as
listen.
The Kuw
is operatir
statement
iah al-Sab
calls for a
the is
emir
And Sauc
to send mo
Arabia, bri
15,000 soldi
had been
withdraw
force agai
(See

Arts/Ent
Classifie
Comics .
Crosswo
Horosco

confidentiality. Commissioners decided that Orton had waived confidentiality by repeatedly calling the commission weeks ago to insist — to no avail at the time — that commission employees talk to Daily Herald reporters pressing him for the facts of his case.

Last Monday, the first work day following the Friday commission meeting, Deseret News political ed-

Orton refused to say whether the "tax [illegible]" he had paid consisted of [illegible]pal, interest, or a penalty.

Commission officials told the Herald this week that Orton's case that it was too late. "All the issues had been settled," she said, [illegible] legally prescribed times for [illegible] to appeal to the commission or, alternatively, to the state Supreme Court, had passed, she said.

followed a September payroll decline of 52,000 jobs, the government said. A year ago, the economy was producing nearly 200,000 new jobs a month.

The biggest job losses were

ued to show robust adding 60,000 new jo

The nation's joble rived from a household most economists cor rate survey of busi

GULF:

(Continued from Page A1)

shipments to Israel.

Today marked the beginning of the fourth month of the Persian Gulf crisis, which started when Iraq invaded Kuwait on Aug. 2.

Saddam refused to let foreigners leave both nations when the United Nations retaliated by imposing a trade embargo on Iraq and the United States began sending more than 200,000 troops to the region.

In announcing plans to free four sick and elderly Americans, Iraqi Information Minister Latif Jassim denied the captives were being treated badly.

A U.S. official in Baghdad today identified the four to be freed as Randall Trinh, 49, of Hacienda Heights, Calif.; Dr. Abdul Kangi, 50, of Glencoe, a Chicago suburb; Raymond Gales, a diplomat stationed in Kuwait and now in Baghdad; and Michael Barnes.

Trinh, a Vietnamese American, is suffering from an acute ulcer and Gales had unspecified medical problems, the official said on condition he not be further identified.

No details were given on Barnes and it was not known whether Kangi was sick. Kangi, and Indian American, was on a holy piligrimage when the crisis started.

The official Iraqi News Agency said the government was acting on a petition from the Arab-American Reconciliation Society.

Diplomats, who spoke on condition of anonymity, said the men would not leave Baghad before Saturday, when government offices reopen and paperwork can be processed. Friday is the Moslem sabbath.

Thousands of foreigners, including about 1,000 Americans, remain in Iraq and Kuwait. Iraq has selectively freed hundreds of them. The latest mass release was of about 300 French nationals this week.

Iraq has said relatives of the hostages should come visit them over the holidays, but Western governments have responded skeptically and advised citizens not to travel to Iraq.

The Iraqi Foreign Ministry today criticized that reaction, saying that the United States and Britain "have no respect for human values."

Air Pollution

The following information is taken from the Wasatch Front air pollution report compiled by the Utah Bureau of Air Quality. The complete report is available by telephone at 373-9660.

Conditions as of 8 a.m. were as follow

Residential Areas

UTAH COUNTY	good
Salt Lake	good
Weber	na

Downtown Areas

PROVO	good
Salt Lake	good
Ogden	good

Overall Air Clarity

The air quality for today was good in all areas along the Was[illegible] Front.

Outlook

VISIT:

(Continued from Page A1)

An Air Force C-141 Starlifter aircraft landed minutes before Air Force Two. It landed to pick up Quayle's limousine and other vehicles used in the visit. It had landed earlier to drop off the vehicles and was back to pick them up after Quayle's visit.

The Quayle campaign trail has taken the vice president to 42 states this year, he said.

The vice presidential limousine motored out to the DC-9, but Quayle opted to walk to the offices of Rocky Mountain Helicopters to meet dignitaries before going to the hanger to talk to the press.

Along the way Quayle stopped and shook hands with some of the nearly 200 people who had come to see the vice president.

At the airport, only one sign of Snow's Democratic opponent was noticed being held by someone in the crowd.

After the press conference, a motorcade whisked Quayle to a partisan crowd gathered at Utah Valley Community Colllege in Orem.

Along the motorcade route, Quayle stopped and spoke to some elementary school children.

The throng at the college was only slightly dotted with detractors — seemingly timid supporters of Snow's Democrat opponent Bill Orton who had drawn Orton's name on the back of Snow's political signs and occasionaly held them up.

Outside in the rain, more vocal Snow detractors passed out anti-Snow literature. They were with Utahns for Ethical Government and one member was heard to say, "Is Karl Snow telling you the truth. Is he?"

The literature attempted to link Snow with convicted felon and stock dealer Michael Strand and Unique Battery/Global Oil.

Asked if he was in Provo because Snow's campaign was in trouble, Quayle said the 3rd Congressional District race was one without an incumbent running and thus warranted a vice presidential visit.

Quayle said that although Snow has a comfortable lead, this is no time to take the race for granted.

"Any time you have a great congressman who is going to retire in this district, you're going to have a competitive race," Quayle said.

"There is no doubt in my mind and no doubt in President Bush's mind that Karl Snow will be an outstanding member of the House of Representatives in the United States Congress."

Asked about a split of some Republicans who have formed Republicans for Orton groups, Quayle said — "In fact if they want to send more Democrats to congress that's the wrong thing to do."

Snow told the college crowd — "I am prepared for the task at hand. I've served you at the state level I am now prepared to serve you at the national level."

He said their values were his values.

Snow said the Quayle visit will be paid for by the Snow campaign and is estimated to cost $10,000.

At the airport press conference, Sens. Garn and Hatch stood behind Snow and Quayle.

Other dignitaries at the airport or college included, Gov. Norm Bangerter, Lt. Gov. Val Oveson, 1st District Rep. Jim Hansen, retiring 3rd District Congressman Howard Nielson, Utah GOP Chairman Richard Snelgrove, Utah County GOP Chairwoman Monteen Gordon, Orem Mayor Blaine Willis, Provo Mayor Joe Jenkins and others.

One of those who attended the rally at the college was Stacy Miller, a BYU student.

"I was here since 7:30 this morning," she said. She said she was a Snow supporter and disappointed that more people didn't come. There was a capacity crowd of about 3,000. But she said 5,000 had been expected, and an overflow area had been planned.

QUAYLE:

(Continued from Page A1)

trolled the Congress was in the mid-1960s when he was 7 years old.

Prior to Quayle's arrival, Snow said the visit should be interpreted [illegible]paign

[illegible]tional

[illegible] giv-

The Daily Herald

(USSN #891-2777)

Second Class Postage Paid at Provo, Utah
U.S.P.S. ID #143-060

Published Daily by SCRIPPS LEAGUE NEWSPAPERS, INC.
1555 North Freedom Blvd.
P.O. Box 717
Provo, Utah 84603-0717

KIRK PARKINSON, Publisher
N. LAVERL CHRISTENSEN, Editor/Editor Emeritus
1949 - 1989

POSTMASTER:
Send change of address to The Daily Herald
P.O. Box 717
Provo, UT 84603-0717

MEMBER
Audit Bureau of Circulation
NEA Service

HOME DELIVERY RATES
(by youth carriers)*

1 Month, carrier	$ 8.25
6 Months, carrier	$49.50
One Year carrier	$99.00

MOTOR ROUTE AND RURAL DELIVERY RATES*

1 Month, carrier	$ 8.50
6 Months, carrier	$51.00
One Year carrier	$102.00

*Rates may differ outside of Utah County

MAIL RATES IN UNITED STATES

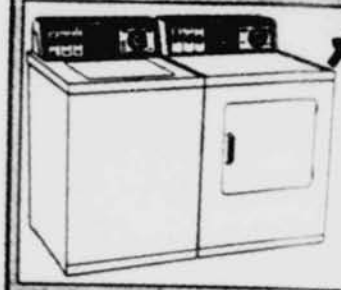
1 Month	$ 12.00
6 Months	$72.00
One Year	$144.00

HERALD TELEPHONE NUMBERS

ADVERTISING DEPT	373-5050
EDITORIAL DEPT	373-5050
BUSINESS OFFICE	373-5050
CLASSIFIED	373-6450
DELIVERY SERVICE	375-5103

Copyright Scripps League Newspapers Inc. 1990

CLEAN UP WI
Big Savings - Big Selection
On Amana - Maytag - Whirlpool
All 1990 Models Priced To Se

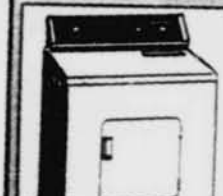


Aman
* 20 Yrs. or
* 10 Yrs. or
Amai
WASH
WAS $46
NOW 36
w/porcelain



HEAVY DUTY DRYER
- Dependability proven in self-service laundries
- Big load drying capacity
- Proper drying for all fabrics

NOW JUST..... $359.95



LARGE CAPACITY 3 TEMP. DRYER
- Timed dry system
- 4 drying cycles
- 3 temp. selections
- Special knit setting
- Extra large lint screen
- DURAWHITE Interior

NOW JUST.. $289.95

Take advantage of these savings and we'll GIVE YOU $25 - $50 trade in allowance on your old washer.*
(*Selected Models Only)



FIND THE LARGEST SAVINGS AND SELECTIONS AT A

SURE APPLIANCE

N000025

A Stronger Voice for D

We need a legislator who will listen to our problems and introduce legislation that will help us, while keeping taxes under control. **Charlie Bates is committed to making Utah**



9704383062

Quayle visit

By PATRICK CHRISTIAN
Herald Staff Writer

Thursday was clearly a day of great consequence for well-connected Republican Congressional Candidate Karl Snow's political campaign.

A laudatory Vice President Dan Quayle flew into the Provo Airport saying, "I'm here for Karl Snow because we want him to be Utah's next congressman."

Asked how well he knew Snow, Quayle said he knew Snow through the assurances of Sens. Jake Garn and Orrin Hatch and took their word that Republicans should also support Snow for congress.

Quayle spoke at a press conference in a Rocky Mountain Helicopter hanger and after its conclusion shook hands with the helicopter workers.

Air Force Two landed around 2 p.m. in a light drizzle and Snow and his wife Donna walked out in the rain alone to meet Quayle.

(See VISIT, Page A2)



Herald Photo/David Dahl

Vice President Dan Quayle speaks as Karl Snow (right) looks on Thursday at Provo Airport during a news conference. In back are Sen. Jake Garn (left) and Sen. Orrin Hatch.

More Americans

By The Associated Press

Four more Americans in Iraq will likely be freed this weekend, diplomats said today. Baghdad reacted angrily to U.S. and British efforts to discourage hostage relatives from traveling to Iraq for the holidays.

President Bush, meanwhile, denounced Saddam Hussein's claims that the hostages are well-treated.

Bush suggested Thursday that in some forms of brutality, the Iraqi president had surpassed even Hitler — raising some eyebrows by comparing Saddam to the man who ordered the extermination of millions of people in World War II.

Also today, Kuwait's exiled crown prince and prime minister said economic snactions had failed, and efforts to find an Arab solution to the gulf crisis are "a waste of time" as long as Saddam won't listen.

The Kuwaiti News Agency, which is operating in exile, carried a statement by Sheik Saad al-Abdullah al-Sabah reiterating Kuwaiti calls for a military assault to drive the Iraqis out of the conquered emirate.

And Saudi sources said Syria is to send more land troops to Saudi Arabia, bringing its contribution to 15,000 soldiers and 300 tanks. There had been fears that Syria might withdraw from the multinational force against Iraqover U.S. arms

(See GULF, Page A2)

Quayle: Iraq's military needs to be crippled

Vice President Dan Quayle reaffirmed Thursday his statements that Iraq's Saddam Hussein needs to be crippled militarily, not just be removed from Kuwait.

Even if Iraqi forces were withdrawn from Kuwait, trade sanctions should continue as a means of crippling Saddam Hussein's military might, Quayle said during a press conference at Provo Airport.

On Wednesday, he called Saddam "a terrorist" and "a murderer." He said Thursday he said those things "because they are a statement of fact."

"You can eventually lessen the credibility and qualitativeness of Saddam Hussein's military machine by denying trade to Iraq," he said. Quayle believes that Saddam must not only leave Kuwait, but he must also rid Iraq of the chemical weapons as well as stop trying to develop a nuclear capability.

He said the administration's chief aim remained a peaceful Iraqi pullout, but containing Saddam in the future also was essential to a lasting peace in the Persian Gulf.

Quayle also noted that American troops will begin pulling out immediately once all conditions are met.

N000026

Exemptions allowed public release of tax case

HERALD STAFF REPORT

State tax commissioners relied on two exemptions within the Tax Commission Rules as authority for publicly discussing details of congressional candidate Bill Orton's tax fraud case.

The decision came last Friday at a meeting of commission spokeswoman Janice Perry and all four commissioners, Perry told The Daily Herald late Wednesday.

The key to the commission's decision to discuss the case was the discovery that Orton's case, unlike many, did not rest on information gleaned from his tax returns, Perry explained.

Utah state law (Sec. 59-1-403) orders commission workers not to " ... make known in any manner any information gained by him from any return filed with the commission."

Perry acknowledged that commission officials rebuffed reporters' early attempts to penetrate secrecy surrounding Orton's tax case. But they did it, she said, on the basis of what turned out to be a false assumption.

After turning aside reporters' questions, Perry related, commission workers pulled up the paperwork on Orton's case and realized that it did not involve information taken from Orton's tax returns — the kind of information that the commission is forbidden to discuss.

"Our initial assumption," Perry said, "was that this was an individual's income tax case and the state statute is very stringent about our ability to comment on such matters."

State laws governing what the commission can release are augmented by the commission's standing rules. Those rules spell out certain conditions under which the commission can choose to disclose

(See ORTON, Page A2)

U.S. jobless rate holds at 5.7% in October

WASHINGTON (AP) — America's unemployment rate held at 5.7 percent in October even though U.S. industries posted broad job losses, the government said today in a report many analysts took as more evidence the nation's economy has fallen into a recession.

Though last month's civilian jobless rate was unchanged from September, the Labor Department said the nation's job market continued to show widespread weakness. More industries lost jobs than gained them for the third month in a row, the agency said.

"This is strong evidence that the economy really has lost its footing now and slipped into recession," said Robert Dederick, chief economist at the Northern Trust Co. of Chicago.

Janet Norwood, commissioner of the Bureau of Labor Statistics, said the agency's findings "point to a worsening employment picture ... the employment situation continued to deteriorate in October."

In other weak economic news today, the Commerce Department said its Index of Leading Economic Indicators dropped 0.8 percent in September for its second straight decline. Three consecutive drops in that index are generally considered a sign that a recession is imminent.

The unchanged October jobless rate was a reprieve from recent months. Previously, the nation's unemployment rate had jumped three months in a row, rising half a percent from June's 5.2 percent rate.

Still, substantial job losses in construction, manufacturing and retail trade in October caused overall non-farm payrolls to drop by 70,000, the Labor Department said. Unlike the job declines in recent months, census workers accounted for only a tiny portion of October's job losses, with 7,000 census workers laid off, the government said.

Norwood and analysts pinned the unemployment rate's ability to hold steady — despite the big job losses — on the slow growth of the labor

(See ECONOMY, Page A2)

Index

Find it

Arts/Entertainment	B7-B8
Classified Ads	C5-D8
Comics	C4
Crossword	D1
Horoscope	B8
Legal Notices	C5
Movies	B7-B8
National	A5
Obituaries	B2
Opinion	B4
Sports	C1-C3
State	B2
Stocks	A6
World	A3

Weather

Decreasing clouds tonight with a slight chance of snow and colder temperatures. Saturday will be partly cloudy with morning canyon winds, and highs in the 40s.

See Page A4.

Air Quality

Air quality was good all along the Wasatch Front with little change in pollution levels expected.

See Page A2.

To enjoy the convenience of Daily Herald home delivery, call 375-5103

ORTON:

(Continued from Page A1)

details of a case.

After commission employees realized that Orton's case was not among those that cannot be discussed, Perry related, she became concerned about how far to go in discussing the case with any reporters who called in the weeks just before the Nov. 6 election.

With Commissioner Roger Tew scheduled to leave town just before the election, Perry said, she arranged to meet with the full board last Friday. In that session commissioners established what they viewed as adequate legal authority to disclose the facts of Orton's case — and told Perry she was free to talk to any reporters who called.

The confidentiality exemptions seized on in the Friday meeting, Perry said, were (1) the fact that a ruling of fraud had been made in Orton's case and (2) Orton was deemed to have waived his right to confidentiality. Commissioners decided that Orton had waived confidentiality by repeatedly calling the commission weeks ago to insist — to no avail at the time — that commission employees talk to Daily Herald reporters pressing him for the facts of his case.

Last Monday, the first work day following the Friday commission meeting, Deseret News political editor Bob Bernick called the commission to ask about Orton's case, Perry said. Asked if that was the newspaper's first call to the commission about Orton's case, Perry said "He hadn't asked specifically about the fraud aspect before. On Monday he called and asked, 'Was there any fraud involved in Orton's case?' "

That specific question breached the dike of commission silence and produced the first public word of details about Orton's case — details that tax commission officials have said all along Orton could release himself.

The Herald on Oct. 4 reported on public documents disclosing the fact of a running encounter between Orton and the tax commission. Orton came to the newspaper Oct. 10 to complain that the stories made it look like he had a tax problem. He insisted that it had been cleared up. He cited as conclusive evidence a recent letter from the tax commission stating that he had paid his "tax liability" and that an Orton "request for waiver" was "being processed."

Orton refused to say whether the "tax liability" he had paid consisted of principal, interest, or a penalty.

Commission officials told the Herald this week that Orton's case was decided in March of 1989 at a hearing he did not attend. They said that on Aug. 17 of this year he paid $2,201.76. That amount covered $1,200 in automobile sales taxes the commission had ruled he had sought to avoid paying, commission employee Viola Weyland said this morning. It also covered all but $29.78 of the interest Orton owes on the unpaid tax, she said.

Orton still owes $1,200, Perry said. That money is for the 100 percent penalty imposed on him by the commission for trying to avoid the $1,200 in taxes on a Mercedes auto he bought in Oregon but used in Utah, Perry said.

Orton has maintained that he has an appeal in progress on that amount. Perry said no, Orton has no appeal in progress.

The tax commission letter's reference to the Orton request for waiver "being processed," she said, acknowledged that Orton had filed such a request but stopped short of saying it had been accepted.

The commission looked at the request, she said, and concluded that it was too late. "All the issues had been settled," she said. The legally prescribed times for Orton to appeal to the commission or, alternatively, to the state Supreme Court, had passed, she said.

ECONOMY:

(Continued from Page A1)

force, not any good news about out-of-work Americans.

Analysts had expected the nation's jobs outlook to continue to darken, partly because of the turmoil in the Persian Gulf. The oil price shock and the threat of war has left American businessmen skittish about adding employees, analysts said.

"They buttoned up the overcoat, put on the scarf and the galoshes, too. Businessmen really are preparing for the worst," Dederick said.

However, analysts have also noted that the economy had shown little signs of life even before Iraq's Aug. 2 invasion of Kuwait.

Today's report indicate that the downturn is "getting deeper at an accelerated rate," said Elliott Platt of Donaldson, Lufkin & Jenrette Securities Corp.

The 70,000-job loss in October followed a September payroll decline of 52,000 jobs, the government said. A year ago, the economy was producing nearly 200,000 new jobs a month.

The biggest job losses were caused by the continue
the nation's construction
ufacturing sectors.

Construction lost 80,0
month to reflect a conti
oration in the housin
Over the past five m
industry has seen jobs
185,000, the government

In manufacturing, p
by 60,000 in October as
continued on a down
that's been ongoing for

Since reaching a pe
peak in January 1989, t
turing sector has lost
the government said.

The service-produci
which until a few mont
been enjoying healthy
and providing most of
my's steam, added 74,0
within the sector, retai
48,000 jobs and wholesal
11,000 jobs.

Most of the service se
came from health serv
had added an averag
jobs each month in the
this year. Health serv
ued to show robust
adding 60,000 new jobs

The nation's jobless
rived from a household
most economists consi
rate survey of busines

GULF:

(Continued from Page A1)

shipments to Israel.

Today marked the beginning of the fourth month of the Persian Gulf crisis, which started when Iraq invaded Kuwait on Aug. 2.

Saddam refused to let foreigners leave both nations when the United Nations retaliated by imposing a trade embargo on Iraq and the United States began sending more than 200,000 troops to the region.

In announcing plans to free four sick and elderly Americans, Iraqi Information Minister Latif Jassim denied the captives were being treated badly.

A U.S. official in Baghdad today identified the four to be freed as Randall Trinh, 49, of Hacienda Heights, Calif.; Dr. Abdul Kangi, 50, of Glencoe, a Chicago suburb; Raymond Gales, a diplomat stationed in Kuwait and now in Baghdad; and Michael Barnes.

Trinh, a Vietnamese American, is suffering from an acute ulcer and Gales had unspecified medical problems, the official said on condition he not be further identified.

No details were given on Barnes and it was not known whether Kangi was sick. Kangi, and Indian American, was on a holy piligrimage when the crisis started.

The official Iraqi News Agency said the government was acting on a petition from the Arab-American Reconciliation Society.

Diplomats, who spoke on condition of anonymity, said the men would not leave Baghad before Saturday, when government offices reopen and paperwork can be processed. Friday is the Moslem sabbath.

Thousands of foreigners, including about 1,000 Americans, remain

VISIT:

(Continued from Page A1)

An Air Force C-141 Starlifter aircraft landed minutes before Air Force Two. It landed to pick up Quayle's limousine and other vehicles used in the visit. It had landed earlier to drop off the vehicles and was back to pick them up after Quayle's visit.

The Quayle campaign trail has taken the vice president to 42 states this year, he said.

The vice presidential limousine motored out to the DC-9, but Quayle opted to walk to the offices of Rocky Mountain Helicopters to meet dignitaries before going to the hanger to talk to the press.

Along the way Quayle stopped and shook hands with some of the nearly 200 people who had come to see the vice president.

At the airport, only one sign of Snow's Democratic opponent was noticed being held by someone in the crowd.

After the press conference, a motorcade whisked Quayle to a partisan crowd gathered at Utah Valley Community Colllege in Orem.

Along the motorcade route, Quayle stopped and spoke to some elementary school children.

The throng at the college was only slightly dotted with detractors — seemingly timid supporters of Snow's Democrat opponent Bill Orton who had drawn Orton's name on the back of Snow's political signs and occasionaly held them up.

Outside in the rain, more vocal Snow detractors passed out anti-Snow literature. They were with Utahns for Ethical Government and one member was heard to say, "Is Karl Snow telling you the truth. Is he?"

The literature attempted to link Snow with convicted felon and stock dealer Michael Strand and Repubicans who have formed Republicans for Orton groups, Quayle said — "In fact if they want to send more Democrats to congress that's the wrong thing to do."

Snow told the college crowd — "I am prepared for the task at hand. I've served you at the state level I am now prepared to serve you at the national level."

He said their values were his values.

Snow said the Quayle visit will be paid for by the Snow campaign and is estimated to cost $10,000.

At the airport press conference, Sens. Garn and Hatch stood behind Snow and Quayle.

Other dignitaries at the airport or college included, Gov. Norm Bangerter, Lt. Gov. Val Oveson, 1st District Rep. Jim Hansen, retiring 3rd District Congressman Howard Nielson, Utah GOP Chairman Richard Snelgrove, Utah County GOP Chairwoman Monteen Gordon, Orem Mayor Blaine Willis, Provo Mayor Joe Jenkins and others.

One of those who attended the rally at the college was Stacy Miller, a BYU student.

"I was here since 7:30 this morning," she said. She said she was a Snow supporter and disappointed that more people didn't come. There was a capacity crowd of about 3,000. But she said 5,000 had been expected, and an overflow area had been planned.

The Daily Herald
(USSN #891-2777)
Second Class Postage Paid at Provo, Utah
U.S.P.S. ID #143-060
Published Daily by
SCRIPPS LEAGUE NEWSPAPERS, INC.
1555 North Freedom Blvd
P.O. Box 717
Provo, Utah 84603-0717
KIRK PARKINSON, Publisher
N. LaVERL CHRISTENSEN
Editor/Editor Emeritus
1949 - 1989
POSTMASTER:

CLEAN UP WI
Big Savings - Big Selection!
On Amana - Maytag - Whirlpool
All 1990 Models Priced To Sell!
Amana
• 20 Yrs. on S
• 10 Yrs. on T
Aman
WASHE
WAS $469
NOW 36
w/porcelain t
HEAVY DUTY DRYER
• Dependability proven in self-service laundries
• Big load drying capacity
• Proper drying for all fabrics
NOW JUST..... $359.95
LARGE CAPACITY 3 TEMP. DRYER
• Timed dry system
• 4 drying cycles
• 3 temp. selections
• Special knit setting
• Extra large lint screen
• DURAWHITE Interior
NOW JUST.. $289.95
N000027

9704383064

9704383063 5

The Daily Herald

Also in this section:
☐ Scoreboard B2

Sports

Monday
Nov. 5, 1990
B1

Clips

NOTABLE QUOTES: "I'm not real high on the idea of traveling to foreign countries for NBA games. Home games and less travel are very important for our team. When we get back, our schedule is practice right off the plane, and then sleep as much as we can." — Utah Jazz All-Star guard John Stockton after the Jazz split a pair of games against Phoenix in Japan last weekend.

...

STATE TOURNEY: Regular-season Region 7 champion Wasatch will head into the girls' state 3A volleyball tournament this week as the second seed from the region after dropping a 15-7, 15-11 decision to Union Saturday in the finals of the league tournament in Vernal. "We just didn't show up for the match," said Wasatch coach Steve Sanderson of the loss. The victory gave Union the No. 1 seed. Wasatch will go in as No. 2 and Emery gets the third spot after Echo upset regular-season third-place finisher Carbon in the first round.

...

CLIMBING: The BYU Cougar football team won Saturday and amazingly — actually moved up in the polls as a result. The United Press International poll had BYU ranked sixth this week, up from ninth... while the CNN-USA today poll moved BYU up from 10th to eighth. The AP poll, which ranked the Cougars 10th last week, was due out this afternoon.

...

EARNHARDT WINS: Dale Earnhardt overwhelmed the field in the Checker 500 NASCAR stock-car race Sunday, winning his ninth race of the season and vaulting past Mark Martin in the $1 million Winston Cup championship battle with one race remaining.

Earnhardt, trying to capture his fourth series title and keep Martin from taking his first, led from the 50th lap on the one-mile Phoenix International Raceway oval to the end of the 500-kilometer, 312-lap race. Martin came into the 28th race of the season leading by 45 points, but he started eighth and finished 10th, never running higher than fourth.

49ers just keep marching along

By The Associated Press

The San Francisco 49ers don't beat their opponents badly. They just beat them.

The 49ers extended their winning streak to 16 games on Sunday with a 24-20 victory over the last team to beat them — the Green Bay Packers. As usual, the 49ers got a big game from Joe Montana, who threw for 411 yards and three touchdowns. And, as usual, the 49ers won, but not by much.

The 49ers improved to 8-0, but have won only one game by more than two touchdowns. Five of their eight wins have been by six points or less.

"People want to knock us off, and it's not an easy road for us. You have to accept that and face the challenge," said Montana, who moved past John Hadl into fifth place in career passing yardage. "People think that we should blow everybody out, but that's not reality."

The Packers (3-5) had been the last team to beat the 49ers, on Nov. 19, 1989, in San Francisco. But this time, despite an early 10-0 lead, they became San Francisco's latest victim. The 49ers also extended their road winning streak to an NFL-record 14 games.

"Both games they played us tough. But this time we didn't make the mistakes we made last year," Montana said.

In other NFL games, it was Kansas City 9, the Los Angeles Raiders 7; New Orleans 21, Cincinnati 7; Pittsburgh 21, Atlanta 9; the New York Jets 24, Dallas 9; Philadelphia 48, New England 26; Miami 23, Phoenix 3; San Francisco 24, Green Bay 20; Washington 41, Detroit 38 in overtime; Buffalo 42, Cleveland 0; Chicago 26, Tampa Bay 6; the Los Angeles Rams 17, Houston 13; San Diego 31, Seattle 14; and Minnesota 27, Denver 22.

San Francisco trailed 10-0 when Don Majkowski hit Sterling Sharpe for a 20-yard TD pass with :38 seconds to go in the first half. But the Packers left too much time on the clock. Montana needed only three plays, the last a 23-yard touchdown pass to John Taylor, to pull within 10-7 at halftime.

"The end of the first half was the key series. We were able to take the ball down the field and score," coach George Seifert said.

Mike Cofer's third-quarter field goal tied the game and Montana hit Brent Jones with a 6-yard touchdown pass for a 17-10 lead early in the fourth quarter. His 64-yarder to Jerry Rice made it 24-13 with seven minutes remaining.

Majkowski hit Sharpe with a 17-yard scoring pass two minutes later and the Packers got the ball back with 2:12 left. Then Perry Kemp's fumble — the only turnover of the game — ended Green Bay's last hope.

"That's why they are world champions. This is the way they've been winning. Great teams figure out ways to win games, and the 49ers did today," Packers coach Lindy Infante said.

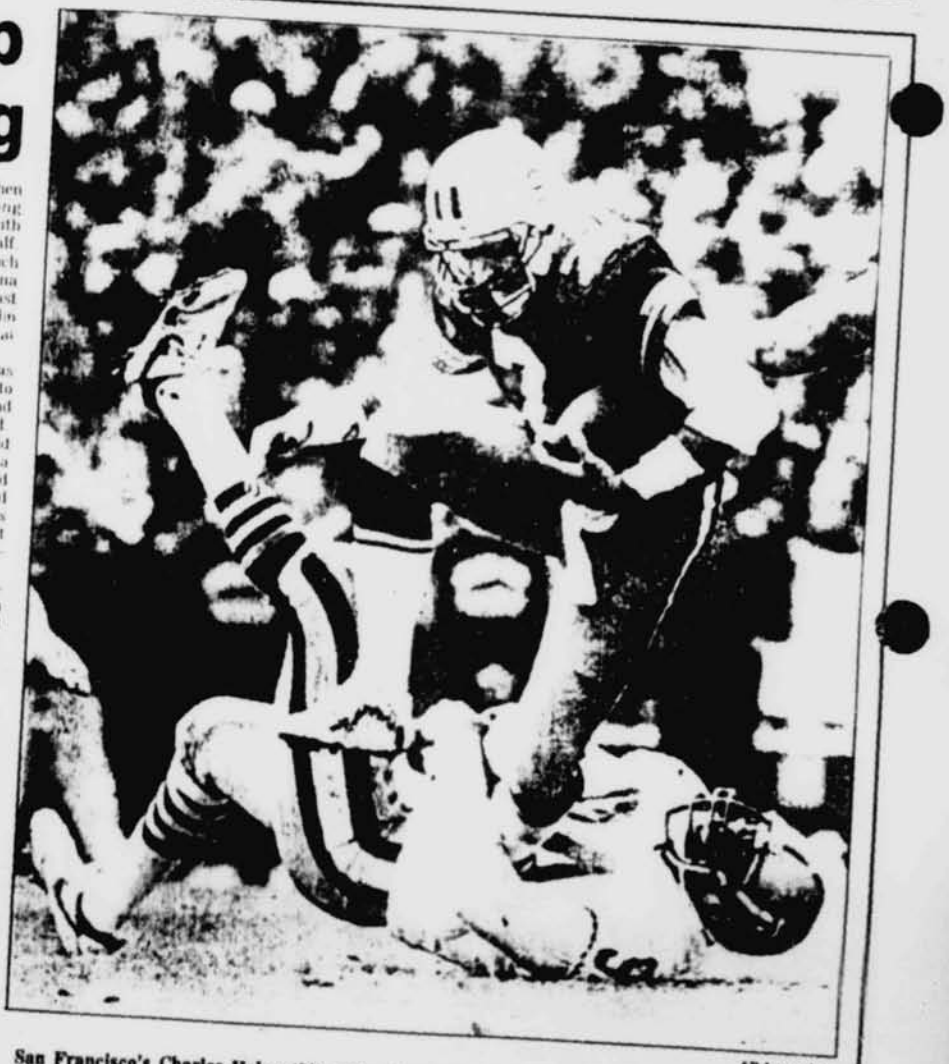
Chiefs 9, Raiders 7

Kansas City kicked its way back into the AFC West race as Nick Lowery's three field goals handed the Raiders only their second loss.

In a game played in a cold rain with sleet and gusty winds, Lowery's final field goal, a 41-yarder early in the fourth quarter, gave the Chiefs (5-3) the victory and moved them within a game of the Raiders (6-2). The teams meet in Los Angeles on Nov. 25.

Saints 21, Bengals 7

New Orleans spoiled the Bengals' return to Riverfront Stadium after five straight weeks on the road as Craig Hayward and Rueben Mayes each ran for more



AP Laserphoto

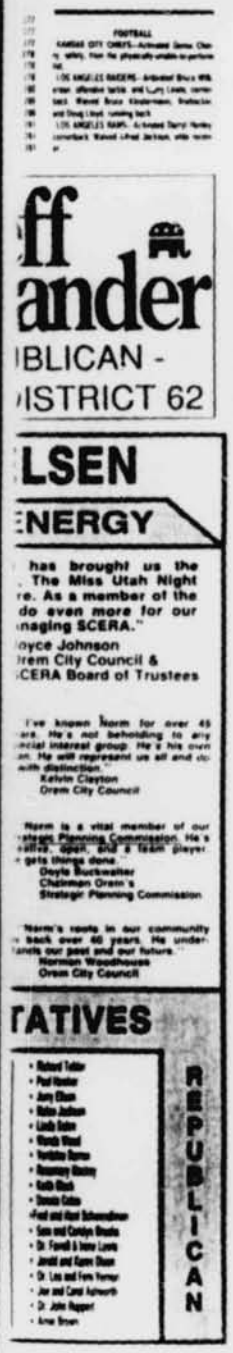
San Francisco's Charles Haley (94) grabs Green Bay quarterback Don Majkowski by the foot during Sunday's NFL game. The 49ers won, 24-20 to stay unbeaten.

same game. New Orleans (3-5) finished with 249 yards on the ground, the most allowed by Cincinnati this season.

Broncos end a five-game losing streak.

Steelers 21, Falcons 9
Pittsburgh

9704383063 6



No vote means no right to complain.

Thinking of staying away from the polls tomorrow?
Consider that there are 24 races in Utah County that will be decided by the voters tomorrow. These include the 3rd Congressional race, County Commissioners, Attorney, Recorder, and other County races, State Legislators and Senators. There are also non-partisan races and tax issues on the ballot. Will you help decide these races and issues or will only the 22.3% of the registered voters who came out in September decide?

Too Much Honking!
Several years ago my father was in Salt Lake City sitting in his car behind several other cars at a red light. The light changed to green, the first car didn't move because the driver couldn't get her car started. The second car began to honk. The light changed to red. The honking stopped. The light changed to green, the first car still wouldn't start, and the honking for the first car began again. After a few light changes of this, my father got out of his car and walked up to the second car, tapped on the window, and said, "If you'll go up and help that lady get her car started, I'll stay here and honk your horn."

I believe there has been too much "horn honking" and not enough "car starting" in this election.

Controversy Has Caused Low Voter Turnout
This has been a difficult election year, not just in Utah County, but also nationwide. Controversy has existed. In past election years when controversy has existed, there has traditionally been a low voter turnout. We wonder if controversy is stirred on purpose to create this low voter turnout. If you do not go to the polls, who will decide your next legislator or your next County official? Special interest groups, that's who.

Republican Principles Return Power to the People
A tabloid inserted in the Utah County Journal on Sunday, November 4 gives you information about all the Republican candidates as well as information about our platform. We have a platform. We are going to stand up for the Republican platform. (Copies of the Utah County Republican Platform have been sent to the public libraries in the county) And yes, better days are ahead. The Republican Party is for change but we can't do it alone. We need you.

The Voice of the People
We feel the voters of Utah, and particularly Utah County, are intelligent enough and patriotic enough to know where they should be on election day.

America was designed by the Constitution and our founding fathers to be run by THE VOICE OF THE PEOPLE. You are the voice of the people. Come, cast your vote tomorrow and let your voice be known.

Monteen Gordon, Chairman
Utah County Republican Party

The Utah County Republican Party PAR program
These are the three areas that will be emphasized by the Utah County Republican Party:

I. Principles and Values
The principles and values for which the Republican Party stands will be defined and clarified. Where and when necessary, I will call for a return to Republican principles and values. The County, State, and National Republican Platforms are some of the tools that will be used to achieve this goal.

II. Accountability of All Candidates and Elected Officials
The vast majority of Utah County Republican candidates and elected officials are true Republicans. But it is time for all Republican candidates and elected officials in Utah County to remember what they believe in and behave and vote accordingly. To achieve this goal I suggest independent, monitoring committees or groups that will monitor all elected officials state wide and the Utah County Republican Party will use the Utah County Republican Ethics Committee for Utah County Republican candidates and elected officials.

III. Responsibility of Citizens
Just as candidates and elected officials need to be accountable, people need to become responsible to determine what they believe in, what type of government they want, and who will govern them. Citizens can do this by:
1. Becoming informed, and then finding and supporting sound candidates or elected officials.
2. Going to the polls to vote for the candidate, and
3. Staying in touch with them after they are elected to determine if the candidates do what they said they would do, and as important, so the elected official can continue to know the voice of the people.

THE UTAH COUNTY REPUBLICAN PARTY

N0000029

VOTE

Karl Snow, Republican
Tuesday, November 6

- Balanced Budget
- Fight Wilderness Bill
- Develop American High Technology
- Strong Family and American Values

"I need strong Republicans such as Karl in Congress to help put forward plans that will give this nation a balanced budget, a strong defense, and a return to those traditional moral values that have made this nation great."

President, George Bush

"Karl Snow, is the type of leader we as citizens of Utah need in Washington to fight the efforts of a Democratically controlled Congress with its agenda of raising taxes, cutting defense, and increasing social programs."

Orrin Hatch, US Senator

"President Bush has asked the voters of America to send more Republicans to Congress in order to help bring about a balanced budget.

With 30 years of service to Utah Karl Snow will take a maturity of leadership to Washington that will help the President in this goal."

Jake Garn, US Senator







Paid For by the Snow for Congress Committee

N000030

9704383063 7

9704383063 8

Inside Today:
Wasatch County candidates listed for voters to debate their choices
Page D1

Nation
College Board changes SAT
Page A3

Lifestyle
Summer fashion forecasts glitz
Page B1

Sports
Jazz prepare for opener in Japan
Page E1

The Daily Herald

Thursday, November 1, 1990

Central Utah's Newspaper for 116 Years — Issue No. 93, Provo, Utah

50 Cents



Sailors aboard the USS Iwo Jima comfort each other after a memorial service today for 10 shipmates.

AP Laserphoto

Iraq offers holiday visit for families of hostages

By The Associated Press

Iraq is offering to let relatives visit foreign captives for the holidays, but the White House demanded today that the Baghdad government let them come home instead.

Aboard the amphibious assault ship USS Iwo Jima, Navy sailors and Marines held a somber memorial service for 10 mates killed in a boiler room steam leak. Tuesday's accident was the worst suffered by the Navy since Operation Desert Shield began in August.

President Bush, in a speech in Burlington, Mass., said today the United States and the world community were "united in anger and outrage" at the treatment of hostages by Iraq's "brutal dictator," Saddam Hussein.

A spokesman for the Iraqi government insisted Wednesday that diplomats in Kuwait and other foreigners in Iraq and Kuwait were "well-treated and all receive good care."

Presidential spokesman Marlin Fitzwater, asked about Iraq's offer to allow holiday visits by families of hostages, said: "Why doesn't he (Saddam) let the hostages come home? That would be the best way — or better yet, Thanksgiving."

The Iraqi offer on Wednesday came just hours after Bush said he was fed up with the treatment of American diplomats in occupied Kuwait. Iraqi troops are trying to starve them out of the U.S. Embassy.

Bush said today he still hoped for a peaceful solution to the gulf crisis, but insisted "there will be no compromise" on the United Nation's demands for a complete withdrawal of Iraqi forces from Kuwait.

The White House, meanwhile, was silent today on comments made Wednesday night by Vice President Dan Quayle, who said it was not enough to force Saddam out of Kuwait. He said the world cannot allow the Iraqi leader to keep his arsenal of chemical weapons and ballistic missiles.

Related story, A6

"We would have to go beyond that if those objectives would be achieved because you cannot simply allow Saddam Hussein to have this military power and have the technology into the future," the vice president said in an interview on PBS' MacNeil-Lehrer NewsHour.

A Soviet envoy who met twice last month with Saddam says the Iraqi president is more open to a peaceful settlement than he was in early October.

Yevgeny Primakov also said Wednesday that Iraq agreed that 2,500 Soviet citizens can leave Iraq before the end of November. He said 26 Soviet military experts were flying home to Moscow today.

(See GULF, Page A2)

Brother of Unique president admits he was secret source



Report says ex-HUD chief

N000031



AP Laserphoto

Sailors aboard the USS Iwo Jima comfort each other after a memorial service today for 10 shipmates.

Presidential spokesman Marlin Fitzwater, asked about Iraq's offer to allow holiday visits by families of hostages, said: "Why doesn't he (Saddam) let the hostages come home? That would be the best way ... or better yet, Thanksgiving."

The Iraqi offer on Wednesday came just hours after Bush said he was fed up with the treatment of American diplomats in occupied Kuwait. Iraqi troops are trying to starve them out of the U.S. Embassy.

Bush said today he still hoped for a peaceful

Brother of Unique president admits he was secret source

By PATRICK CHRISTIAN
Herald Staff Writer

The brother of polygamist John Darger, president of Unique Battery, admits he was the secret source of controversial Unique Battery papers that have dogged Karl Snow, the Republican 3rd District candidate, during his political campaign.

He said he first showed the papers to Snow's Democratic opponent Bill Orton, and then gave them to Snow's Republican primary opponent, John Harmer. Harmer first made them public.

Attorney Dan Darger told The Daily Herald Wednesday that in 1984, he had warned his brother against getting involved with Michael Strand, a convicted felon and penny stock manipulator who wanted to merge Unique Battery with Global Oil.

"I told him Snow was the bait."

The Salt Lake City attorney spoke by telephone to the Herald from New Mexico where Darger is arguing a tort trial.

"When my brother came to me to tell me about the impending merger involving Strand, and when I met Strand, I got a bad feeling and called a stockbroker friend of mine, who advised me to stay far away from Strand."

"I then told my brother, 'you're in bed with sharks,' but he said guess who I met in Strand's office and he told me it was state Sen. Karl Snow and he said he and Snow were going to the governor's ball together."

Darger claims it was obvious that Strand brought Snow into his dealings because Strand was a convicted felon who needed the legitimacy a state senator could provide.

Darger said his brother rejected his advice to stay out of the deal and lost his money and company in the penny stock deal.

But Darger said he kept the battery papers his brother occasionally gave him to review, and some of them have Snow's name on them.

He said he kept them for possible future revenge on those who misled his brother.

He said in April of this year when he learned of Snow running for Congress, he took the papers to Bill Orton, who was the Democratic candidate opposing Snow.

But he said Orton thanked him and told him he didn't want anything to do with the papers.

Orton confirmed this Wednesday and said he did not want to become involved in a dirty-tricks campaign.

Darger said he then gave the papers to Harmer through an anonymous source, and said he still wants to maintain the confidences involving that transaction.

(See ORTON, Page A2)



AP L

Washing day

Sgt. William White of Penbook, Va., does his laundry chores today in the Saudi desert where he is st with the Army's 1st ion, 8th Cavalry.

Assessor denies harassing Orton

By PATRICK CHRISTIAN
Herald Staff Writer

Utah County Assessor Ron Smith, who was looking for a "ghost" Mercedez Benz, said he was searching for lost county revenue and not seeking to harass a Democratic congressional candidate.

Smith drove up to 3rd Congressional District candidate Bill Orton's campaign headquarters Monday and started writing down the license plate numbers of cars there, said Spencer Taylor, the Democrat's campaign manager.

Orton is locked in a gung-ho political battle with Republican Karl Snow.

"I watched him pull up, and he had a Snow for Congress bumper sticker on his front bumper," said Taylor.

According to Taylor, Smith talked with Orton and Orton asked him if the visit was official.

"He didn't answer for about 30 seconds, and finally said — 'Yes, I'm on an official visit.'"

Taylor said he and others at Orton's office believed Smith's visit was politically motivated because of the Snow bumper sticker and Smith being a Republican elected official.

Smith said his actions were not politically motivated and that he would have done the same thing if the inquiry would have involved Snow. He indicated that he is always interested in collecting property tax that is due to the county, and thought there was a chance there could have been unpaid tax dollars involving the car.

Smith said a reporter for the Desert News called him inquiring about a 1981 Mercedes Benz that

(See SMITH, Page A2)

7 Peaks EIS to rem closed, alliance lea

By CHRISTI C. EVANS
Herald Staff Writer

The Rock Canyon Preservation Alliance hoped to reopen the Seven Peaks environmental impact statement, but was told Wednesday it couldn't be done.

Nevertheless, the group vows to continue promoting a proposed amendment of the Uinta National Forest plan, although forest officials cannot compare the proposal directly with the Seven Peaks ski resort application.

Alliance members submitted the proposed amendment to the Uinta National Forest Land and Resource Mangement Plan on Oct amendment would proh mercial development an watershed lands in Pro mountains.

However, the Forest S cided Oct. 19 to "file" th proposal until the r process of the forest plan one to two years.

The land protected in th proposal includes land ir the proposed Seven Peaks

Alliance members had Forest Service would r environmental impact s

(See CANYON, Page

Appointee faces challenger for commission

Herald Staff Report

Four-month incumbent Commissioner Gary Herbert, a Republican, is being challenged by Democrat George Tripp to complete the final two years of former Commissioner Brent Morris.

Herbert took over Morris' duties four months ago after Morris resigned to run for the GOP nomination for the 3rd Congressional District seat. He was appointed to the position for the remainder of 1990 by the present county commissioners, after being one of three nominated for the position by the County Republican Central Committee.

In his short tenure, he has been involved in the realignment of UVEDA, compromise work on Provo Bay to allow funding for the Central Utah Project, the addition of a film commissioner to the Utah County Travel Council, and work on the Governor's Clean Air Commission.

He states that he is a homegrown product with roots deep in Utah County. He was born in American Fork and raised in Orem.

He comes to office with a wide background of experience, having been elected president of the Utah County Board of Realtors and the State Association of Realtors. For the past eight years he has worked on legislative issues both in Utah and Washington, D.C.

Currently, he serves on a national task force overseeing FHA/HUD reforms.

His basic beliefs are that elected office is a trust. "The people expect and should receive from their officials honesty, trustworthiness and dedication to the job at hand," he says.

Also, Herbert sees a need to emphasize economic development to broaden the tax base; a need for long-range goals and developing a comprehensive master plan; and stressing the quality of life in the area.

"With my background in real estate, I know what it's like to balance budgets and make payroll," he said. "I have been involved in public property rights and in lobbying for housing reforms," he said.

(See ELECTION, Page A2)



Inde

Find it

Arts/Entertainment
Classified Ads
Comics
Crossword
Horoscope
Legal Notices
Movies
National
Obituaries
Opinion
Sports
State
Stocks
World

N000032

Herald "Want Ads" get results. Place your ad by calling 373-6450

n Page A1)

ublished report
fficials as say-
n allied assault
Iraq plans to
l tankers. The
shington Times
are anchored
bian coast, and
s as well. The
ributed to Pen-
intelligence of-
named.
l experts told
it the outbreak
refusal to relin-
triple oil prices
causing gasoline
gallon.
y visits for the
me Wednesday
tion Ministry
lad, was brand-
reign Office on
cynical propa-

t another psy-
uid Dawn Baz-

nds building.
to make sure
ah Project wa-
h Utah County
and ride to Salt

ns as mayor of
n the board of
an of Timpan-
District), presi-
unty Council of
chairman and
Mountainland
ents and vice
ehi City Civic
ation. He was
Junior Cham-
d on the board
r master plan

0 years in the
, receiving an
ee Award at
worked as a
Alpine School
named Alpine
of the Year in

ner, whose husband, Mark, was videotaped early in the crisis asking Saddam to let foreign women and children go.

"I'm hoping that we won't have to visit (Mark) there ... but if it comes down to it, I will go," she said in Palm Desert, Calif.

The Iraqi spokesman said foreigners were not being mistreated.

"The safety of all diplomatic premises and staff and the American Embassy in Baghdad and the former American Embassy in Kuwait are guaranteed," he said, speaking on condition of anonymity.

SMITH:

(Continued from Page A1)

may not have had Utah County property tax paid on it that may have belonged to Orton.

So Smith said he went to Orton's campaign headquarters to check the situation out.

He said when he learned from Orton that the Mercedes Benz in question was a vehicle long since sold by Orton, he left considering the issue closed.

The Mercedes Benz is at the center of a dispute Orton said he has with the Utah State Tax Commission.

The state claims he owes taxes on the vehicle. Orton claims he doesn't because it was registered in Oregon and used primarily at his Oregon residence.

During the same period, he also had a Provo residence and other vehicles registered in Utah.

Orton told The Herald he bought the Mercedes in 1982 and later sold it.

Taylor said Orton now owns a Chevrolet Corvette, an Audi, a Ford pickup truck and a Harley Davidson Sportster motorcycle.

Smith, when asked about using his own vehicle displaying political bumper stickers while on county business, said it would be nice to have a county vehicle, but he said he didn't have a county car. "I think the front and rear bumpers (of his own car) are mine."

ON:

Page A1)

Seven Peaks
nd insert their
t as an alter-

nesday of alli-
Forest Service
members were
vice could not
Peaks impact

at the alterna-
plored in the
ffective," said
ce member
Seven Peaks
n the impact
king no action
llowing guide-
rest plan.
sal encourages
nal opportuni-
policy for the

uld have been
S had had a
would permit

Rushforth said. "They want citizen input."

The alliance will continue to explore all its opportunities to gain consideration and adoption of its proposal, Clemens said. "We are pursuing every possible avenue of appeal on this question," he said.

An alliance representative will be traveling to Washington D.C. soon to meet with F. Dale Robertson, national chief of the Forest Service, as well as the heads of subcommittees in the House of Representatives, Clemens said.

The alliance is prepared to pursue the matter in court if it becomes necessary, Rushforth said. "The Rock Canyon Alliance is committed to working in every arena. We certainly don't fear the legal arena," he said.

Seven Peaks Resort has a deadline of Jan. 1 to submit proof of financial ability to complete the ski resort project. If that deadline is met, a new record of decision would be issued by the Forest Service on whether the project is to be allowed.

Victor Borcherds, Seven Peaks Resort owner, said he believes he

ORTON:

(Continued from Page A1)

He said that Harmer and Orton did not know that he was the source of the information Harmer eventually released before the June GOP convention. Harmer refused to publicly divulge the contents of the papers.

But on Aug. 13, Harmer held a press conference saying he had damaging documents and had turned them over to Snow for him to review for a week before Harmer disclosed them to the public.

Snow in turn, presented the documents to The Daily Herald and to four Provo attorneys who said they were an independent body. The attorneys later declared that Snow was innocent of any wrongdoing.

Harmer said the documents alleged Snow was involved in a stock fraud manipulation with Strand and that he had received political contributions from Strand.

Snow's disclosure statements from his 1984 bid to be governor did reveal that he had indeed received political contributions from Strand and his family.

Orton told the Herald that in August, after Harmer had made the battery papers public, he became concerned over the possible safety of candidates, because he remembered that one invester, Percy Kalt, had firebombed Strand's residence and that Strand had also been convicted on a weapons charge.

So he said he went to the court where legal cases involving Unique Battery/Global Oil were deposited and checked out the files and read them.

He said after reading them, his fear subsided and he made his own determination that the cases showed no criminal wrongdoing by Snow.

On Monday, Utah GOP chairman Richard Snelgrove tried to use Orton's checking out the court document as evidence that Orton was behind the revelation of the battery papers.

Snelgrove also said that Darger shares an office with Orton in Salt Lake City.

Both Darger and Orton confirmed that they have offices on the same floor at 32 Exchange Place in Salt Lake City. But both said they seldom see each other. Orton and Darger also said that Ralph Petty, an attorney who has represented Snow also has offices on the same floor, but Darger said he never revealed the battery papers to Petty. Petty confirmed this, and also said that his father is a personal friend of Strand, but this has nothing to do with the battery papers or his past representation of Snow.

The Daily Herald
(I.S.S.N. #891-2777)
Second Class Postage Paid at Provo, Utah
U.S.P.S. ID #143-060
Published Daily by SCRIPPS LEAGUE NEWSPAPERS, INC.
1555 North Freedom Blvd.
P.O. Box 717
Provo, Utah 84603-0717
KIRK PARKINSON, Publisher
N. LaVERL CHRISTENSEN, Editor/Editor Emeritus
1949 - 1989
POSTMASTER:
Send change of address to

PRICES EFFECTIVE TUESDAY THRU SATURDAY
REAMS
HIGHEST QUALIT
LOWEST PRICES
1350 NORTH FREEDOM BLVD., PROVO 890 WEST CENTER ST.
WE ADD ONLY 10¢ TO THESE PRICES
SEEDLESS GRAPES Ruby Red, Lb. 59¢
APPLES Lg. Red Del., Lb. 39¢
BROCCOLI Fresh, Lb. 3
GRAPEFRUIT Ruby Red 7/1.00
POTATOES #1 Bussel, 10 Lb. Bag 7
CARROTS Clip Top, 5 Lb. Bag 69¢
BANANAS Golden Ripe, Lb. 23
REAM'S QUALITY MEATS
GROUND BEEF Lean Family Pack, Lb. 1.19
FRYER THIGHS Holly Farms, Lb. 39¢
TURKEY BREAST ROAST Norbest, Lb. 1.29
BEEF PATTIES Armour, Chicken Fried, Lb. 1.29
BACON Maple River, Lb. 1.18
PORK ROAST Fresh Picnic, Lb. 1.09
LUNCH MEATS John Morrell, Asst. 1.39
PIZZA Mama Rosa's 40 Oz., 2 Pk. 3.69
COOKED HAM John Morrell, 12 Oz. 2.69
CHOCOLATE CHIPS Nestle Semi-Sweet Milk Chocolate 1.29
CHUNK TUNA Bumble Bee 2/1.00
FRITOS All Flavors, 12 Oz. 1.29
GRAPE JUICE Flav-R-Pack, 12 Oz., Frozen 59¢
HANDI WRAP Bonus Pack, 200 ft. 89¢
APPLE JUICE Flav-R-Pack, 12 Lb. 49¢
POTATO CHIPS Eglo Snacks, Ranched, Ridged 1.59
VEGETABLES Western Family, Frozen 69¢
BREAD Old Home, 1½ Lbs. 89¢
POPCORN Orville Redenbacher (Reg, Hot Air) 30 Oz. 1.98
CLAMS Snow's, Minced/Chopped 59¢
SHORTENING Wesson, 3 Lb. Tog. 1.59
DRESSING Homestyle, 16 Oz. 1.39
DETERGENT Surf Powder, 136 Oz., 1.50 Off 5.49
DINNERS Health Choice, Frozen 1.79
SPREAD Shedd's 1 Lb. Quarter 3/1.00
ICE CREAM Hollow Farms 5 Qt. 3.69
CAT FOOD Alle Cat, 8 Lb. 2.89

Boar
BOSTON (AP)
college-bound stu
give their own
Scholastic Apti
problems instead
multiple choice
able to use a cal
Those are a
nounced Wedne
Board, sponsor
most widely us
exam in the na
The revisions
in the test's
include more
comprehension
called SAT-I,
1994, board
Stewart said.
In additio
known as
phased in s
will include
Critics w
the test is
poor judge
the change
"It's poli
fins to t
Schaeffer,
at FairTe
based gr
"The SAT
All
ec
WASI
gions c
either
declin
Federa
The
tral
"beig
Wedn
musn
separ
Th
repo
sure
uct.
1.8
qua
sa
ba
ar
st
th
t
c

N000033

N000034

years. He has aggressively prosecuted hundreds of serious felony cases. Many have been brought to justice through Kay's efforts. With a large family of his own, it is no surprise that one of Kay's main concerns has been to keep our communities safe.

Unlike his Democratic opponent almost all of Kay's legal experience has been gained in Utah Valley. He knows our communities and their concerns. With his prior experience as a judicial law clerk, general practitioner, prosecutor, and judge he brings a broad background to the office of County Attorney.

In addition to his experienced background, Kay is a man of integrity. His honesty and sense of what is right will provide the leadership the County Attorney's office needs in the years to come. With Kay Bryson as our next County Attorney, we will have a strong voice for integrity and honesty.

We urge you to vote for Kay Bryson — Utah County Attorney.

Reed M. and Janice H. Hunter
and 20 other parties

Officer for Bryson

Editor:

I am a police officer and have been for the last 25 years. The nature of my job requires that I work with members of the Utah County Attorney's Office on a regular basis.

In the upcoming election, the voters will select a new County Prosecutor. It is difficult for voters to make a decision based on campaign brochures. Because I have almost daily contact with the prosecutors, I would like to give my opinion as to whom I would like to see elected.

Kay Bryson has been with the County Attorney's Office for about three years and I have found him to be a dedicated and efficient attorney. He is an honest and caring person, both as a prosecutor, and as a family man. He does an excellent job now, and will continue to do an excellent job if elected because he has the respect of those he works with.

I do not know Mr. Collins personally. I have heard him admit that he has never prosecuted a felony case in his career. The vast majority of cases the County Attorney's Office handle are felony cases. With the work load that their office handles, there is not enough time for a beginner to be the leader.

I would encourage all voters, if you have any questions, to call each candidate, ask them specific questions about their qualifications and reasons for running for this office. Please be informed when you go to the polls. It is important to all of us.

Gerald Nielsen
Orem

What about guns?

An open letter of inquiry to Karl Snow and Bill Orton.

As I was talking with an acquaintance of Karl Snow, he made the remark that Karl Snow "doesn't hunt, and he doesn't think when you reduce a person down to the lowest denominator, a house, no car, no clothing, no medical, the one thing that cannot be removed and yet still live is food. I resent paying tax on the one thing that is essential to life. We can tax the pop, cigarettes, beer, uneatables, but take it off from meats, fruits, vegetables, bread and pastas.

It has been hinted lately that the U.S. Government is going to also tax food. When that happens, I am going to do just like a line from the movie network ... stick my head out the window and yell ... "I'm mad as hell and I'm not going to take it anymore."

Lucy Metcalf
Heber City

The consistent story

Editor:

Last week, Karl Snow lashed out at witnesses who testified that he lied about his involvement in the Global Oil scheme. One of these was Percy Kalt. As a neighbor of Percy's and a member of his LDS ward, I want to tell you what kind of a man Percy is.

Percy is one of the most gentle, unassuming people I know. He is the stereotypical sensitive and quiet musician, and he is beloved by everyone in his ward and neighborhood.

Hit with serious financial problems, and victimization in a fraud scheme all within months of each other, Percy reacted irrationally. But he never intended to hurt anyone, and he has admitted his mistakes and made reparations. Those who have not walked such a path cannot appreciate the emotional pressures he endured.

In recent months, powerful people pressured Percy to remain silent. He felt isolated and thought that no one would listen anyway. During this period, he refused to tell his story to the press. But now that he has come forward, I can assure you he is telling the truth. He told me the story in 1985, — including Karl Snow's involvement — shortly after the events took place, and his story has remained consistent through the years. If you study their respective statements, you must see that it is Karl Snow's explanations that are inconsistent, not Percy Kalt's.

Karl Snow's close relationship with a stock felon combined with his persistence in lying about that relationship make him unfit to represent this district.

Ken Murdock
Provo

Throw them out

Editor:

Will Rogers once said, "The only difference between death and taxes is death doesn't get worse every time Congress meets."

I say we throw all the scoundrels out.

Keith R. Hooker, M.D., Inc.
Provo

voters the truth? That would be exciting, but so is watching someone threatening to jump from a 10th-floor window ledge.

How would it sound if Rostenkowski went on a TV show with this routine?

"Congressman, as head of Congress' top money-grabbing committee, how much are you going to soak the rich this time?"

"We're not. The rich are already being thoroughly soaked."

"What? "

"That's right. Don't you media types ever read the tax revenue statistics?"

"No, we only read our TelePrompTers."

"Then you should. It says right here that less than 1 percent of all tax returns come from people in the $200,000-plus bracket. But that tiny minority is kicking in more than 15 percent of all the income tax revenue. Seems more than enough to me. Especially when you consider how little the lower brackets pay."

"How little? Everyone knows that the returns, are paying just about nothing. So if less than 1 percent of the taxpayers are paying almost as much in taxes as almost 70 percent of the taxpayers, that seems fair to me."

"Yes, but the rich must be getting away with something sneaky. What about all their tax shelters, those sly loopholes we heard so much about?"

"Ancient history. We killed most of the tax shelters back when we changed the brackets. And we're now getting rid of the few that remain. No, ladies and gents of the media, we're squeezing the rich pretty hard. In fact, if we take much more, it really won't be fair. Remember, the rich are really a tiny minority. And we Democrats believe in being kind to minorities."

"But don't you realize that most Americans want you to soak the rich more and more? They would be thrilled if you stripped them of every nickel they have and sent them out on the street corners

ple math? If less than 1 percent taxpayers are in the top bracket, th don't represent enough votes to elect town constable. Ah, but those $30,000 a under, they're almost 70 percent. You c get a landslide out of them.

So Bush should wise up. Months ago, could have gone on TV and said: "I horrified to find that a man making $50 000 a year pays only $150,000 of that taxes. So I'm going to propose to Congr that they take everything away from t money-grubbing swine except a few dolla to feed his pampered family. And w seize his home, car and country cl membership and dress him in rags. A I'm going to give it all to those of you wi because of this insensitive, insulting soc ty, are not rich."

Try it, Mr. President, and watch the approval ratings soar in the polls. A don't worry, your golf buddies will und stand. Rostenkowski's do.

Casualty estimates temper Bush battle pla



Jack Anderson
& Dale Van Atta

UNITED FEATURE SYNDICATE

WASHINGTON — Top secret Pentagon estimates in the hands of President Bush tell him to expect from 3,000 to 30,000 Americans to die in the first 20 days of a war against Iraq. As many as 10,000 U.S. soldiers could be dead in the first week, the reports say.

The most realistic estimate, according to the Pentagon, is that 15,000 would die in the first three weeks. And there could be some days to rival the bloody battles of the Civil War. The record for U.S. casualties in any one day of fighting is held by the Battle of Antietam during the Civil War. There, on Sept. 17., 1862, 22,728 Americans were killed, wounded, captured or missing.

If the Pentagon's highest Persian Gulf estimate is correct — 30,000 dead in the first 20 days — that would be nearly half the total number of Americans who died in the decade-long Vietnam War.

Those numbers have sobered President Bush and caused him to beat the drums of war more softly than he did when he first ordered troops deployed to Saudi Arabia in August. Beyond the horror of the numbers, Bush also knows that thousands of casualties would reverse his high popularity rating.

But, while Bush is appalled at the estimates, our White House sources say he is hardened by the fact that Iraq's President Saddam Hussein is banking on the low American tolerance for casualties.

According to U.S. intelligence reports, Saddam has his own casualty reports that make the American figures look like a skirmish. Saddam could expect 10 Iraqi deaths for every one lost American soldier. He wouldn't flinch at the loss of 10,000 of his men, but he knows that the United States would balk at the loss of 1,000 of its soldiers in the early rounds.

Outspoken former Air Force Chief of Staff Gen. Michael J. Dugan said it best before he was fired for his candor: "The American people will support this operation until body bags come home."

Special U.S. mortuary units and thousands of body bags have been dispatched to the Persian Gulf along with two hospital ships and land-based medical units with thousands of beds. The Pentagon is looking at high numbers of casualties, even if the Iraqis don't use chemical weapons. That is because there is no way to drive back the Iraqis without house-to-house fighting in Kuwait and perhaps Iraq.

There is no doubt that America would swiftly win any air battles, but the long Iraqi defensive lines are dug in with mine fields arrayed in front of them. Iraq favors entrenched defensive warfare, which helped them to beat back Iran for eight years. Dislodging Iraq from its heavily fortified positions would take infantry assaults, which are always costly.

As a rule of thumb, an attacking army should have a 3-1 advantage over its opponent in numbers of troops. But in this case Iraq would be on the defensive with a 4-1 advantage over the United States.

Arab forces allied with the United States would make up some of the difference. A combined Arab force of about 30,000 is holding down the front line at the Saudi-Kuwait border at this moment, while American troops are well behind. U.S. estimates suggest that the Arabs co hold out no more than four hours bef falling back to the American lines.

Even if casualties were high, Presid Bush would enjoy a brief increase in popularity before the plunge. It's a p nomenon known by pollsters as the "ra round-the-flag" reaction.

There are cynics who believe Lyn Johnson concocted the August 1964 Gulf Tonkin episode in Vietnam to enhance standing before the election, which it c Ronald Reagan's campaign handlers w so convinced that Jimmy Carter wo stage a pre-election raid on Iran in 198 rescue hostages, that the GOP circula warnings of an "October surprise" make voters suspicious of any move Car made.

GOP REBELLION — Angry Republi candidates will blame George Bu are defeated at the polls next party has lost ground since Bush com mised on taxes. Voters loved the Repu cans when the issue was no new taxes. now that taxes are inevitable, the issu who pays, and the voters are lining behind Democrats who want to tax rich. Bush's aides have urged him to m it clear that those who oppose him will be out of favor. They argue that pa discipline is essential if Bush hopes to his legislative agenda through Congr But retaliation is not Bush's style.

MINI-EDITORIAL — When the costs the B-2 Stealth bomber went through roof, the Air Force did some fancy pa work to hide the truth. It deleted two bombers from its shopping list and trie use the money saved on those two to for cost overruns on the other eight. S members of Congress are peeved creative accounting — probably a cas professional jealousy.

9704383064 2

SE0000N

The Daily Herald

"Under pressure, people admit to murder, setting fire to the village church or robbing a bank, but never to being bores."
— Elsa Maxwell, American socialite (1883-1963)

Opinions

Thursday
Nov. 1, 1990
D7

Letters

Editor's note: We are using the spot normally reserved for the Herald comment to run letters to the editor concerning the current political campaign. There are also letters on page D8 today. After today we will not publish any additional letters relating to Tuesday's election. We encourage readers to continue to write concerning other topics and we will resume pubishing letters commenting on the political scene after Tuesday.

Remove food tax

Editor:

I will vote to eliminate sales tax on food. I have carefully considered both sides of the issue. Because of the weakening economy my family will have to learn to get along with a little less. The state and local governments can do the same, especially since the federal government just raised everyone's taxes last week.

The 2 percent reduction in the state's income which will result from eliminating sales tax on food will force state and local agencies to be more efficient with the money they have. It's a small reduction, not a crippling reduction. If any of them really raise other taxes to compensate I will be disappointed.

The past few tax reduction initiatives have been defeated sending the message to state and city lawmakers that we really don't mind the level of our tax rates. This gentle reduction will let them know we're reaching our limit and that we will probably elect those who share our attitude that precious tax dollars are a public trust to be used as wisely as possible to educate our children and provide a few other services that are appropriate for governmental agencies to provide.

The state spent millions of our tax dollars to defeat the last tax reduction initiative two years ago. It looks like they're doing the same thing this year. Utahns should not allow their taxes to be raised only to create surpluses which our state lawmakers spend weeks trying to figure out how to spend.

Let's eliminate the sales tax on food, then let's all work together to make our great state even better but spend just a little less to do it.

anyone else should hunt either." The first two words of that quote don't bother me. In this land anyone is free to hunt or not, as he chooses. But when it is said of a prospective legislator that he doesn't think anyone else should hunt, I wonder if he will impose on my right to hunt, and I (and 10,000 hunter-voters and members of the unorganized militia) may think twice about sending such a man to Congress.

I realize that mistakes can be made, and therefore wish to ask you to reply to these questions:

1. Will you defend the rights of responsible citizens to own firearms for legitimate and legal purposes such as hunting, sport shooting, or self defense?

2. Will you defend the rights of the sportsman to pursue game within the law?

3. Will you resist efforts by anti gun factions to limit or remove this constitutional right? (And, please, don't waffle around by saying that the second amendment refers only to states' rights to have a national guard. There is now a court case that establishes that the national guard is not the militia.)

I sincerely ask you to answer these questions. Should you not answer, I will assume that your answers are "no" to the above and will vote for your opponent. I encourage all gun owners to carefully read the answers and vote to protect their rights.

I also invite Mr. Bill Orton to answer these questions and address the subject of the right of the people to keep and bear arms.

S. King
Provo

Out of woodwork

Editor:

Isn't it interesting whenever a petition is signed by the people, that would even hint of removing taxes, how the politicians come out of the wood work.

"We can't do that, if you do that we will have to remove support for the blind, old, childless, sick, hungry, lame, and mentally sick." Not once do you hear them say they could look at the waste, overspending, overstaffed or any other unnecessary expense.

In reference to the food tax — why is it



A math lesson for President Bush



Mike Royko

TRIBUNE MEDIA SERVICES

President Bush is peeved at Democrats in Congress for misleading Americans about taxes and saying he is a pal of the rich.

He says, "They've been getting away with this tax-the-rich class warfare kind of garbage that they always resurrect at election time."

Well, of course they have. But as a politician, President Bush should recognize

with tin cans to beg."

"That's what they did in Russia and China and Cuba and Albania. What are you, a bunch of commies?"

"No, but how do you think most voters will react to what you're saying?"

"A good question. The answer is that as a result of my saying these true, but shocking, things my political career is now over. Which is why I take back everything

9704383064 3

Utah Voters Get Their Say Today

By Douglas L. Parker
Tribune Political Editor

It's time to cast 'em and count 'em. That's ballots we're talking about.

Polling places for the Utah general election are open around the state from 7 a.m. to 8 p.m. Tuesday to bring an end to a raucous campaign season.

Voters are choosing three members to serve in the next Congress, determining the complexion of the Legislature for the next two years, filling county government posts, picking state and local school board members, and deciding whether to retain a slate of judges.

A singular matter of high level interest on which all voters will punch or mark ballots in the 1,629 voter precincts is Initiative A to remove the sales tax from food, a subject that has divided the electorate for months since a citizen-circulated petition put it on the ballot.

There are also interesting little tidbits involving local issues, ranging from the Indian slate of county candidates in San Juan County drawing national attention to southern Utah, to the repeated attempt to get some form of limited bus service in Cache County in the northern part of the state.

Weary candidates find a mutually weary electorate, suggested David Hansen, deputy lieutenant governor, uncertain over the potential voter turnout. His office oversees state election matters.

"The universal feeling seems to be that everybody is damn glad it's over," Mr. Hansen observed. "That's something Republicans and Democrats can agree on."

Should voters still need information on where to vote, they should contact their respective county clerk's office. In Salt Lake County, where nearly half the state's voter precincts are located, voters may call 468-3427 for the county election department. Assistance can also be provided by *The Salt Lake Tribune's* Information Department, 237-2001, and the League of Women Voters, 272-8683.

Candidates, of course, were nervous about the impact of unsettled weather, and whether it could further inhibit voter turnout for an off-year election that is already expected to attract little more than half the registered voters. The higher profile candidates turned to traditional phone banks to egg supporters on.

The forecast called for mostly cloudy weather, the possibility of scattered snow showers mostly in the morning, slightly colder temperatures, with chilly breezes picking up in some areas.

The struggle in the 2nd Congressional District between Rep. Wayne Owens and Genevieve Atwood was played out to the final day. Both appeared in a noontime debate for a lawyer group, then split: He to appear at a "honk 'n wave" for commuter traffic along Liberty Park; she to share a campaign visit from Rep. Guy Vander Jagt, chairman of the National Republican Congressional Committee.

The NRCC focused on the race as a marginal congressional district that might be turned over into the GOP column, and the committee has provided financial and organizational support in an attempt to unseat two-term Democratic Congressman Owens.

Utah's other two congressional districts already are represented by Republicans; in the north by Rep. James V. Hansen, and in the south by Rep. Howard C. Nielson. The latter, retiring after this year, left open a seat that has generated a free-for-all competition between Republican Karl N. Snow and Democrat Bill Orton — and bickering right up to election day.

Desert Shield Forces ... By Fax, ... Absentee Bal...

EASTERN SAUDI A...RABIA (AP) — A handful of GIs ... voted by fax and thousands more ... cast absentee ballots. But other ... troops in Operation Desert Shield ... said they had too much on their ... minds to think about Tuesday's ... elections back home.

"What election is it?" ... asked Sgt. Marceline Griffin, 39, of ... Philadelphia, an operating roo... m technician with the 326th Me...dical Battalion. "I haven't seen a... n absentee ballot yet."

Cpl. Patrick Locke, ...20, of Spokane, Wash., who was ... repairing the engine of a tanker ... on Monday at a forward Marine b... ase in eastern Saudi Arabia, was ... astonished. "I think we have so m... uch on our mind now, and have so ... much work to do, we don't have t... me to think about it," he said. "T... he way they vote, they help decid... we'll be over here. I ... more about it."

A three-week "get o... blitz on Armed Force... voting information boo... of the big mess hall ... good results. About 10 ... cations for absentee ... handed out by the J... cate's office of the A... Central Com... w... charge of pr... g r...

The Navy ...che... campaign for the elect... aboard the USS Bidd... missile cruiser, voted ... ballot three weeks ag... dria, Va.

"Voting is your ... Chief Petty Officer ... 45, of Fremont, Calif.

The Salt Lake Tribune

Vol. 241 No. 23 — Salt Lake City, Utah—Tuesday Morning, November 6, 1990 — First Ed...

Brandt Defies EC Stance, Flies to Iraq

Pentagon Considering Large Reserve Call-Up

By Ellen Nimmons
Associated Press Writer

A former West German chancellor broke ranks and flew to Iraq on Monday to seek freedom for foreigners held hostage by Saddam Hussein, and the European Community convened a special session in hopes of keeping members in line.

Also Monday, the USS Midway, one of four American aircraft carriers deployed as part of Operation Desert Shield, entered the Persian Gulf. Like the USS Independence, which left the gulf last month after a few days, the Midway apparently was sent in as a show of force.

Baker Strikes Deal With Fa...



U.S. to Command In Any Offensive

By Norman Kempster
Los Angeles Times Writer

JIDDA, Saudi Arabia — Secretary of State James Baker and Saudi King Fahd reached a new military command and control agreement Monday guaranteeing that American troops will be exclusively under the command of American officers if they launch offensive operations against Iraq.

Baker also met Monday with the exiled emir of Kuwait, who called for swift military action to free his country from Iraq, and Baker said the gulf crisis is entering a new phase.

Baker arrived in Saudi Arabia on the second leg of his eight-nation,

"As far as I am conc... like my country today ... row," Jaber told re... meeting with Baker. "... like to see is the libera... as soon as possible, w... the Security Council ...

Baker appeared to ... mind, saying after the ... lieved the crisis had ... phase and, while the U... still seeking a diplom... is not ruling out other ...

"This crisis is en... phase and while we ar... peaceful political and ... lution, we have to, I ... selves in a position w...

N0000036

ıonored; he and his wife
nission call to Australia
Page B1

Bush puts ink
on budget bill
Page A3

Hom[illegible]de rolls;
back to basics
Page C1

Giants join 49ers
with 8-0 record
Page B7

The Daily Herald

ıber 6, 1990 Central Utah's Newspaper for 116 Years — Issue No. 98 Provo, Utah 50 Cents



AP Laserphoto

ic Senate candidate **Harvey Gantt** llot this morning in Charlotte.

es at polls Carolina

states, had spent the closing days of the campaign exhorting their partisans to go to the polls. Democrats counted on unease over the economy to induce their followers to vote.

The Senate contest between conservative Republican Sen. Jesse Helms and his black challenger, Harvey Gantt, appeared to generate a heavy turnout in North Carolina.

Most precincts say they have more people voting than they do in presidential elections," said Mecklenburg County election supervisor Bill Culp.

When you see long lines like this — more than 300 voters were here before 8:30 — you know you're going to have a nice day," Gantt said. "It's a good sign for us."

(See ELECTION, Page A2)

Voter turnout steady in Provo

By CHRISTI C. EVANS
Herald Staff Writer

Voting continued at a steady pace this morning, said Provo voting judges, as citizens decided the fate of what has been a long and difficult campaign for some candidates.

"It's been steady. You can't get your knitting out once," said voting judge Eleanore Hall. Voters in this election have a specific purpose in mind and are ready to accomplish that purpose, she said.

"I couldn't believe the degree of opinion in my district when they registered," Hall said. "They're angry this time. ... They have a definite purpose."

In District 5, people were lined up to vote during the first hour and a half the polls were open. District 3 judges, with 40 people having voted by 8:25 a.m., called the turnout "pretty good for this time of day."

"There's some disgust about the races," said judge Linda Brummett, referring to some mudslinging by candidates during the campaign.

"I think people are just sort of disgusted about the whole thing," she said.

Voting in District 33 was going well, more because of civically minded citizens than the fact that this was 3rd Congressional candidate Karl Snow's district, judges said.

"We always have a good district," said judge Nan Stewart. "We'll stay busy."

Voting judge Marian Monnahan said, "I think it's the initiatives that are getting people out. ... I think they're interested in the food tax particularly." Voters in her district asked for specific directions in finding the initiatives on the ballot, Monnahan said.

Voting judge Deon Grimes said voting was going slow this morning, but added her district has seen a good turnout to register for the vote.

"People are real confused," Grimes said. "If we have a low turnout, it will be because of the mudslinging," she said.

District 7 saw a good turnout this morning for a non-presidential election, judges said. "We had a man ask if there was anything on the ballot to vote them all out," said judge Carol Smith.

"It's an interesting election. I think there's been a lot of interest in it," said judge Helen Davis.



Herald Photo/Tamara Sneddon

Voters cast ballots today at Orem Elementary School, which had a big turnout when doors opened.

67% turnout predicted in Utah

SALT LAKE CITY (AP) — [illegible] weather and a 67 percent turnout of registered voters were predicted for today's general election in Utah.

Campaigning wound down Monday, except in the 2nd District congressional race where a newspaper ad attacking Democrat Wayne Owens for being soft on crime appeared from Republican Genevieve Atwood.

The three U.S. House races and the initiative to remove the state tax on food were the main issues in today's election.

In the absence of presidential, gubernatorial and senate races, about 67 percent of Utah's estimated 780,000 registered voters were expected to turn out, said Deputy Lt. Gov. Dave Hansen.

With all of those races, the U.S. House contests and the controversial tax-slashing initiatives in 1989 [illegible] Utah led the nation with an 81 percent turnout, he said.

In 1988, the last time voters could cast ballots for the White House, turnout was about 74 percent.

"Things are looking very good," Hansen said.

In addition to the balloting for the state's initiative A, which would repeal the state sales tax on food, voters will be asked to approve or reject the public education bond issue they approved in their tax-cutting campaign two years ago.

Basically, it's the interest in the election that draws people out, Hansen said.

Nine school districts also have miscellaneous elections on the ballot.

Jerry North Bangerter, Utah Education Association president, [illegible] Eskelsen and Pat Hales, president of the state Parent-Teachers Association, held a news conference Monday to urge passage of the freeways, which they called "the forgotten issue" of the election.

The other congressional races matched 1st District Republican Rep. James V. Hansen against Democrat Kenley Brunsdale and 2nd District Democratic Rep. Wayne Owens against Republican Genevieve Atwood.

Atwood collected an endorsement and a $5,000 check Monday from Rep. Guy Vander Jagt, chairman of the National Republican Congressional Committee.

Genevieve is a tightwad when it comes to spending taxpayers' money. That's what we need in Congress — not another spendthrift like Wayne Owens," Vander Jagt said.

(See UTAH, Page A2)

elease 106 foreigners

in an effort to win the freedom of captive foreigners. Today's news of the planned releases came one day after European countries denounced individual attempts to gain the freedom of hostages.

Secretary of State James A. Bak- share command of U.S. troops as long as the Americans are defending Saudi Arabia, a Bush administration official said on condition of anonymity.

Saudi Arabia's foreign minister

Gunman slays Jewish extremist



NEW YORK (AP) — A gunman believed to be of Arab descent assassinated Jewish extremist Meir Kahane at a Manhattan hotel, ending a [illegible] career that took the radical [illegible]

Related story, A4

Other background on Noseir was not immediately available. Israel Army radio reported

N000037

ist returns to stage ay left-hand pieces

ON (AP) — Pian-her's tragedy was hi hand to a cripe disorder. His showing the world mattered.
ng a new life for he past quarter-a conductor and sher 62, returned t stage last week-vura piano recital works for the left

ming performance ly Center's crowd-neater was praised ics with the same that greeted his l debut with the ilharmonic in 1944, a gangly 16-year-Francisco.
erks on Saturday am were written eat pianists who, were unable to it hands. They in-in composer Alex-in, who suffered ment as Fleisher, pianist Paul Witt-lost his right arm I.
isher's first solo major concert hall since he was stricken more than 25 years ago.

When Fleisher withdrew from the concert stage in April 1965, on the eve of a European tour with the Cleveland Orchestra, his right-hand fingers had become weak, numb and beyond control.

Once hailed by The New York Times as "the finest American pianist of his (and probably any) time," Fleisher was devastated.

"I had the sense that my whole world had dropped out from under me," he said. "My whole life's direction pointed toward the abyss. For two years, I struggled with, 'Why did this happen to me?' I was wallowing in self-pity."

He was rescued by Dina Koston, a former student at the Peabody Institute in Baltimore, who persuaded him to become co-director and conductor of the Kennedy Center's resident chamber music ensemble, the Theater Chamber Players, in 1968.

"She came up with a suggestion that took me out of that abyss and showed me I could still function as a musician," Fleisher said.

...national forces in the Persian Gulf region. Another 50 are businessmen who were in Iraq at the time of the invasion, according to Japan's Kyodo News Service.

The Foreign Ministry put the number of Japanese to be freed at 69, while the Iraqi report said 77 would be released. Japanese diplomats said Nakasone had won the freedom of the extra hostages in a second meeting with Saddam today.

Japan, which has contributed $4 billion to the anti-Iraq effort, has said it would not make a separate deal for its hostages. Japanese lawmakers are considering a measure to send troops to the gulf, but in non-combat roles.

On Monday, the European Community pledged to remain united against Saddam by refusing to negotiate individually for the release of hostages.

Italy, president of the 12-member community, convened an emergency foreign ministers' meeting at the request of Belgium and the Netherlands to discuss potential cracks in the EC's Iraq policy.

Brandt, in Iraq today seeking freedom for foreigners, met today with a group of German captives, then then held talks with PLO chairman Yasser Arafat, a self-appointed mediator in the gulf crisis.

...States will ...p a total of 14.

Edward J. Ro... co-chairman of the House Republican campaign committee, said the recent debate over the federal budget "created a lot of disarray among Republicans and, obviously, if we don't do well, it'll be because Republicans don't participate in the process. Hopefully, they'll get angry at Democrats and turn out."

Curtis Gans, director of the Committee for the Study of the American Electorate, predicted that about 36 percent of eligible Americans would go to the polls, about the same as in 1986 when turnout was the lowest in more than 40 years.

But Gans said participation would be higher in states with hot races.

In Florida, where Democrats were hopeful that former Sen. Lawton Chiles will unseat Republican Gov. Bob Martinez, election officials forecast a high turnout.

In California, Republicans were confident Sen. Pete Wilson would outpoll Democrat Dianne Feinstein in the race to succeed Republican Gov. George Deukmejian.

After weeks of barnstorming on behalf of GOP candidates from Maine to Hawaii, Bush concentrated on helping the faltering campaign of Clayton Williams for governor of Texas. Once far ahead in the polls, oilman Williams was

BAKER:

(Continued from Page A1)

reverse the occupation of Kuwait.

Baker reached agreement Monday with King Fahd that U.S. troops will be under American command if they are sent into combat.

The decision on command and control was announced after Baker held a two-hour meeting with the king.

A U.S. official, who insisted on anonymity, said the Saudis would play a decisive role in two ways — they would share command of American troops used to defend Saudi Arabia and would have to give a green light before the 100,000-plus U.S. troops in the oil-rich kingdom were sent into action.

Once the Americans go into battle outside Saudi Arabia, American commanders will direct them, the official said.

Baker and the king resolved the issue as tensions appeared to heighten o... Kuwait thr...

A senior ... are satisfi... dom's stan... been a pro...

The Saud... reporters ... nymity, sai... ly hoping ... come."

Baker, le... tain resort ... after talks ... Kuwait, s... changing.

"This cr... phase," he ... still seekin... and diplom... put ourselv... we would ... options that...

Baker di... U.S. offici... United Stat... bringing "... bear on Ir... Hussein.

N:

rom Page A1)

of the assassina-in Israel, where ters threatened elderly Palestini-and killed in the ank today. Israeli gested the killings

...seir stood up and ... with a .357-cali-Kahane was taking ...cond-floor confer-rabbi, who stood ...rom the gunman, ...ck.

..., a spokeswoman ...dical Examiner's ...t mortem indicat-...t entered the left ...nd exited through

...s fired at close ...Sorakove said the ...want an autopsy ...e of religious rea-

...officer and a ...ounded in the at-...d in stable condi-

Hospital, where ...ounced dead.

Police stood guard early today over Noseir, who was under sedation and could not immediately be interrogated, officials said. Hospital spokesman Rob Frazier said it was unlikely he would be able to talk for at least two days.

Kahane, as founder of the Jewish Defense League, urged Jews in the United States to arm themselves against anti-Semitism. Later, as a far right-wing member of Israel's Parliament, he was one of the Jewish state's fiercest anti-Arab politicians.

"Revenge is a very Jewish concept," he said of his call for the expulsion of the 1.7 million Palestinians from the occupied West Bank and Gaza Strip as well as the 800,000 Arab citizens from Israel.

In Israel, the rabbi could gather thousands of fanatical young Jews to march through the streets of Jerusalem shouting, "Death to the Arabs!"

Many denounced him as a bigot and a demagogue. Others considered him a freedom fighter.

"He was our King David," said Charles Cohen, who stood sobbing with his wife in front of the hospital in a crowd of Orthodox Jews hoisting Israeli flags and reciting Hebrew prayers.

Martin Cohen, a New York lawyer and Kahane follower who was at the hospital, called the slain rabbi a martyr. "He stood for every Jew who no longer wants to be kicked around, for every Jew who remembers the Holocaust," he said.

Kahane had no police protection. State Assemblyman Dov Hikind, who represents the rabbi's old Brooklyn neighborhood, said Kahane had refused it.

"He said that when his turn would come, when God called him, no one could prevent it," said Hikind.

The shooting occurred shortly after 9 p.m. at the New York Marriott East Side. As the gunman fled he ran into 73-year-old Irving Franklin, who was selling booklets for a Zionist group, and shot him

UTAH:

(Continued from Page A1)

Owens wound down his campaign with a "honk and wave" for commuters along Liberty Park.

Meanwhile, state Republicans were working on damage control over the ad attacking Orton.

"We don't know how this is going to play out," said State GOP Executive Director Greg Hopkins. "All we do know is that Karl Snow was not behind it."

The full-page advertisement, which ran in the Sunday Utah County Journal, showed a photograph of Snow and his family of seven, along with the caption, "Karl Snow and his family." Alongside was a picture of Orton, alone, and the underline: "Bill Orton and his family."

The ad went on to state, "Some candidates want you to believe that their personal values don't matter. Most issues facing the United State Congress seriously affect our families. Values do matter! Vote Republican."

Hopkins acknowledged the ad was paid for by the state Republican Party, but said nobody in the party or Snow's campaign knew of its content before it ran.

The ad brought an angry response from Orton, despite Snow's apology and denial of responsibility.

"This is clearly a blatant attempt to paint me as someone who doesn't have the family values. The innuendo (of homosexuality) is there," said Orton.

The 42-year-old bachelor, who denies he is gay, said he was nonetheless concerned months ago that his single status would become a campaign issue.

"Clearly they're attacking me personally, attempting to paint me as something different from the voters," Orton said.

Hopkins admitted he felt the ad "was a little bit mean spirited."

"But for some people it is probably a legitimate campaign issue," he said.

Hopkins said he believed he knew who placed the ad but refused to identify them. "It's an internal party matter," he said.

As for Snow's apology, Orton was not in a forgiving mood.

"You walk up and shoot somebody between the eyes and then say 'I'm sorry'? That's outrageous. You slam somebody and then you take it back but the damage is already done," he said.

lution

formation is taken ... Front air pollu-...led by the Utah ...lity. The complete ...e by telephone at

... 8 a.m. were as

...al Areas
.....good
.....good
.....good

...n Areas
.....good
.....good
.....good

...r Clarity
... today was good ...ng the Wasatch

The Daily Herald
(USSN #891-2777)
Second Class Postage Paid at Provo, Utah
U.S.P.S. ID #143-060
Published Daily by SCRIPPS LEAGUE NEWSPAPERS, INC.
1555 North Freedom Blvd
P.O. Box 717
Provo, Utah 84603-0717
KIRK PARKINSON, Publisher
N. LaVERL CHRISTENSEN, Editor/Editor Emeritus


CALL NOW F
FREE
HEAI
TEST
If you're 55 or bette... test makes good se...
Why? Because milli... age of 55 have a he... helped through ... Miracle-Ear pro... (thorough and ... hearing test ... explains the...
Call 224
Mon.-Fri
9 a.m.
73...
Miracle-Ear Ce...
We're helping people listen to life
The most natural sound quality you'll experience in a hearing aid or your money back!!

IF YOU LIKE QUALITY...THEN YOU
TRY ALBERTSONS IN-STORE BA...
GOURMET FRUIT P...
9 Inch
• Apple •
• Strawbe...
• Blueber...
• Dutch A...
• Pumpkir...

...ded • No Preservatives

9704383064 6

Harward must defeat three foes to retain seat in House

Rep. Byron Harward is facing three challengers in his try for a third term in the Utah House of Representatives from District 65 on the Republican ticket.

He is in the legislative leadership, currently serving as majority assistant whip.

He said one of his greatest concerns focuses on the almost cancerous growth of government bureaucracies.

Also there is a need to equip the schools with computers and technology so they can excel in the real world. He has also supported a program of accountability and measurement to determine the effectiveness of educational programs.

Other issues of importance he recognizes are taxes, environment, retirement, and social services. He said he has conducted, and will continue to conduct, town meetings to hear from his constitutents on these and other issues.

He received his education at Provo High School, Brigham Young University and Southwestern University.

James Pettersson, an educator at Utah Valley Community College and lifetime Utah resident, is the Democratic candidate for representative.

Pettersson believes that education, taxes and fiscal responsibility are the most important issues in this election. He said Utah needs a tax system that is more equitable and less discriminatory against middle income taxpayers.

While he favors a reduction in the sales tax on food, he believes that the reduction should be phased in slowly so that the impact of less revenue can be assessed accurately and appropriate adjustments made.

If the food tax initiative passes, he believes that cuts should be made equally across the board to make up for revenue shortfalls.

He believes it is essential that we have a balance in state government.

Sharon H. Bird, the Libertarian candidate, said she has strong feelings, thoughts and beliefs about the role religion plays in our lives, yet equally strong Libertarian ideas about freedom of religion and freedom of personal actions within the bounds of not trespassing on another person's life, liberty or property.

"Personal growth and development come from millions of individual people making thier own private decisions, and not from public bureaucratic 'central planning' which always bogs down and fails, here and around the world," she said.

She sees the central problem in Utah to be the lack of private jobs to keep our college graduate children here.

"Utah has a lagging economy. Harmful taxes siphon off the capital needs to be saved and invested in productive jobs. Instead, it fees the debilitating, destroying disease of too much government," she said.

Wilma Ray, Provo, an American Party candidate, thinks the country should focus on its own problems.

"We should avoid political connections with other countries and not become involved in trying to settle the affairs of the world. We should not interfere with the internal problems of other countries," she said.

"Our attention should be focused on our own problems which are (1) drug traffic, (2) disintegration of the moral and spiritual values of the nation, (3) improvement of schools and getting back to basics, (4) high taxes and inflation, and (5) maintaining a defensive force sufficient to deter aggressors."

She said we have lost faith in the foundation of our basic and fundamental laws of good government and trust in God. Without this fundation of truth and decency, we are lost. We also seem to have lost faith in the leadership of the nation.

"I truly believe that if there were jobs available for many of those who are on welfare, and if they could work for at least part of their needs without being cut off welfare completely, many would prefer to help themselves.

I, J. Bruce Peacock, Chief Deputy Utah County Clerk, do hereby certify the foregoing to be a correct facimile ballot for the General Election to be held on November 6, 1990, which ballot shows the names of all candidates eligible for election. Only names of those candidates applicable will be on the respective ballots in the various districts throughout Utah County.

In Witness thereto, I hereunder set my hand and seal this 6th day of November 1990.

J. Bruce Peacock
Chief Deputy County Clerk

Page 1
Format 8

GENERAL ELECTION BALLOT
UTAH COUNTY, UTAH - NOVEMBER 6, 1990

(County Clerk)

If you wish to cast a "STRAIGHT PARTY" vote for ALL the candidates of ONE PARTY, punch the position indicated next to the desired party.

If you do not wish to vote "STRAIGHT PARTY," cast votes accordingly on pages 2, 3, 4 and 5.

REPUBLICAN	Straight Party Vote	9
DEMOCRATIC	Straight Party Vote	11
AMERICAN	Straight Party Vote	13
INDEPENDENT	Straight Party Vote	15

Page 4 — Utah County - November 6, 1990

For STATE REPRESENTATIVE DISTRICT NO. 58 (Vote for One)	J. BRENT HAYMOND	58
	KENNETH CREER	59
	KELVIN SMITH	60
	BERYL E. FURNER	61
For STATE REPRESENTATIVE DISTRICT NO. 64 (Vote for One)	CHARLIE BATES	62
	TIM MORAN	63
	FLORENCE G. BALE	64
For STATE REPRESENTATIVE DISTRICT NO. 67 (Vote for One)	BILL WRIGHT	65
	DREW DANIELS	66
	O. DEAN PENDLETON	67
For COUNTY COMMISSIONER "A" (Vote for One)	MALCOLM H. BECK	68
	WAYNE L. HILL	69
For COUNTY COMMISSIONER "B" (Vote for One)	RICHARD A. JOHNSON	70
	MARIE F. VAN WAGENEN	71
For COUNTY COMMISSIONER "C" (Vote for One)	GARY R. HERBERT	72
	GEORGE F. TRIPP	73

Page 7 — Utah County - November 6, 1990
NON-PARTISAN

Shall JOHN BACKLUND be retained in the office of Judge of the Court of Appeals of the Fourth Circuit?	YES	134
	NO	135
Shall LYNN W. DAVIS be retained in the office of Judge of the Court of Appeals of the Fourth Circuit?	YES	136
	NO	137
For STATE BOARD OF EDUCATION DISTRICT NO. 5 (Vote for One)	HAROLD S. JENSEN	138
	JOHN H. MILLECAM	139
For ALPINE SCHOOL DISTRICT PRECINCT NO. 4 (Vote for One)	LINDA CAMPBELL	141
For ALPINE SCHOOL DISTRICT PRECINCT NO. 9 (Vote for One)	J. BLAKE EVANS	143
For NEBO SCHOOL DISTRICT PRECINCT NO. 2 (Vote for One)	JAMES W. DUNN	144
	JACKY HARRISON CARAS	145
For NEBO SCHOOL DISTRICT PRECINCT NO. 4 (Vote for One)	RICHARD LAMAR WILSON	146
	LEW CHRISTENSEN	147
For NEBO SCHOOL DISTRICT PRECINCT NO. 5 (Vote for One)	C. GARN COOMBS	148
	BONNIE J. PALMER	149

N0000039

9704383064 7

	LIBERTARIAN *Straight Party Vote*	17

Page 2 — Utah County - November 6, 1990

For U. S. REPRESENTATIVE DISTRICT NO. 3 (Vote for One)	KARL SNOW	20
	BILL ORTON	21
	ROBERT J. SMITH	22
	ANTHONY MELVIN DUTROW	23
For STATE SENATOR DISTRICT NO. 13 (Vote for One)	TRACY WILSON	24
	GEORGE MANTES	25
	WILLIAM C. SWANK	26
	JERRY H. STOCKS	27
For STATE SENATOR DISTRICT NO. 15 (Vote for One)	LERAY L. MC ALLISTER	28
	WILL CHRISTENSEN	29
	RONALD HATHCOCK	30
For STATE REPRESENTATIVE DISTRICT NO. 57 (Vote for One)	CHRISTINE R. FOX	31
	STEVEN S. KESLER	32
	JEANNE CRAWLEY	33
For STATE REPRESENTATIVE DISTRICT NO. 58 (Vote for One)	DONALD R. (DON) LEBARON	34
	KEITH HATCH	35
	ALAN K. HUNTER	36
	ROGER V. OSTERGAARD	37

Page 3 — Utah County - November 6, 1990

For STATE REPRESENTATIVE DISTRICT NO. 59 (Vote for One)	JOHN VALENTINE	39
	H. K. PANG	40
For STATE REPRESENTATIVE DISTRICT NO. 60 (Vote for One)	NORMAN L. NIELSEN	41
	HELEN WEEKS	42
	NEIL D. SKOUSEN	43
For STATE REPRESENTATIVE DISTRICT NO. 61 (Vote for One)	R. LEE ELLERTSON	44
	JOHN C. PAULSON	45
For STATE REPRESENTATIVE DISTRICT NO. 62 (Vote for One)	JEFF ALEXANDER	46
	MIKE MARCHANT	47
For STATE REPRESENTATIVE DISTRICT NO. 63 (Vote for One)	JORDAN TANNER	48
	STERLING D. ALLAN	49
For STATE REPRESENTATIVE DISTRICT NO. 64 (Vote for One)	BYRON L. HARWARD	50
	JAMES PETTERSSON	51
	WILMA L. RAY	52
	SHARON H. BIRD	53

For COUNTY ASSESSOR (Vote for One)	RONALD M. SMITH	71
	(No Candidate)	

Page 5 — Utah County - November 6, 1990

For COUNTY ATTORNEY (Vote for One)	KAY BRYSON	77
	C. ROBERT COLLINS	78
	WILLIAM S. CHRISTIAN	79
For CLERK & AUDITOR (Vote for One)	J. BRUCE PEACOCK	80
	(No Candidate)	
For COUNTY RECORDER (Vote for One)	NINA B. REID	82
	LOUISE FUCILE	83
For COUNTY SHERIFF (Vote for One)	DAVID R. BATEMAN	84
	(No Candidate)	
For COUNTY SURVEYOR (Vote for One)	CLYDE R. NAYLOR	86
	(No Candidate)	
For COUNTY TREASURER (Vote for One)	LEONARD R. ELLIS	88
	(No Candidate)	

Page 6 — Utah County - November 6, 1990
NON-PARTISAN

Shall RUSSELL W. BENCH be retained in the office of Judge of the Court of Appeals?	YES	96
	NO	97
Shall JUDITH MITCHELL BILLINGS be retained in the office of Judge of the Court of Appeals?	YES	98
	NO	99
Shall REGNAL W. GARFF be retained in the office of Judge of the Court of Appeals?	YES	100
	NO	101
Shall PAMELA R. T. GREENWOOD be retained in the office of Judge of the Court of Appeals?	YES	102
	NO	103
Shall NORMAN H. JACKSON be retained in the office of Judge of the Court of Appeals?	YES	104
	NO	105
Shall GREGORY K. ORME be retained in the office of Judge of the Court of Appeals?	YES	106
	NO	107
Shall CULLEN Y. CHRISTENSEN be retained in the Office of Judge of the District Court of the Fourth Judicial District?	YES	108
	NO	109
Shall BOYD L. PARK be retained in the Office of Judge of the District Court of the Fourth Judicial District?	YES	110
	NO	111
For STATE BOARD OF EDUCATION DISTRICT NO. 7 (Vote for One)	O. RAY WARNER	112
	DONALD G. CHRISTENSEN	113

For PROVO SCHOOL DISTRICT PRECINCT NO. 1 (Vote for One)	MOSSI W. WHITE	151

Page 8 — Utah County - November 6, 1990
NON-PARTISAN

For PROVO SCHOOL DISTRICT PRECINCT NO. 5 (Vote for One)	DAVID G. WEIGHT	154

Proposition No. 1
SPECIAL DISTRICTS AMENDMENT

Shall the Utah Constitution be amended to allow counties, cities, and towns to establish special districts to provide health care services?

FOR 156
AGAINST 157

Proposition No. 2
EMERGENCY POWERS AMENDMENT

Shall the Utah Constitution be amended to allow the Legislature to adopt measures to insure the continuity of governmental operations when those operations are seriously disrupted as a result of natural or man-made disaster?

FOR 160
AGAINST 161

Initiative A
REMOVAL OF STATE AND LOCAL SALES TAXES *FROM FOOD*

Shall a law be enacted to remove state and local sales taxes from food, except food prepared for immediate consumption and food sold through vending machines?

FOR 164
AGAINST 165

UTAH COUNTY FAIRS

The Utah County Commission requests your opinion on the following question. The results of this poll are not binding on the commission.

1 — The 1988 and 1990 Utah County Fairs were paid for by private donors. Prior fairs were subsidized by the taxpayers.

Do you support using county tax revenues to pay for the Utah County Fair?

YES 168
NO 169

Official Ballot Label for Springville City
Utah County, Utah
Special Election, November 6, 1990

Recorder

TRANSIT ANNEXATION PROPOSITION

Shall Springville City be annexed to the Utah Transit Authority ("UTA"), a public mass transit district, providing public transportation services in Salt Lake, Davis and Weber Counties and the Cities of Provo, Orem, American Fork, Pleasant Grove, Lindon and Lehi, as specified under the laws of the State of Utah, and require a sales and use tax of 1/4 of 1% to fund a public transportation system, as specified under the laws of the State of Utah effective January 1, 1991.

For Annexation 182
Against Annexation 183

To vote on issues of the above transit annexation proposition, punch the ballot after the word "FOR ANNEXATION". To vote against the transit annexation proposition, punch the ballot after the word "AGAINST ANNEXATION".

You are now finished voting. Close ballot pages. Remove punch card ballot and place it inside both flaps of the gray wide envelope and return to the election judge who gave you the ballot.

N000040

9704383064 8

Inside Today:

4th District Judicial Center said to be a reflection of Utah growth
Page B1

World
Gunshots fired near Gorbachev
Page A5

Lifestyle
Healthy lifestyles for the elderly
Page B6

Sports
Vols, Irish hold mystery key
Page C1

The Daily Herald

Wednesday, November 7, 1990 — Central Utah's Newspaper for 116 Years — Issue No. 99, Provo, Utah — 50 Cents

Democrat Orton beats Snow in stunning victory



Herald Photo/Trent Nelson

Democrat Bill Orton shares his victory joy with his parents Don and Caroll Orton Tuesday night.

By PATRICK CHRISTIAN
Herald Staff Writer

Democrat Bill Orton declared political victory Tuesday night in a surprising 3rd Congressional District upset that stunned confident Republicans.

This morning, a lot of Republicans were shaking their heads in disbelief and already talking about 1992.

As the metaphor goes, the fat lady sung. For those who remember the past, she could have been a metaphorical Margaret Truman. The song she sang was a decisive 58-37 percent Democratic victory for Orton over Republican Karl Snow in Utah's newest and largest district — a distict left undefended by retiring Republican Howard Nielson, who called Orton's win devastating to the GOP.

Wayne Owens' successful re-election and Orton's victory mark the first time since 1974 that Utah Democrats gained more than one voice in Congress.

The 3rd District was one many GOP supporters liked to describe as the most Republican district in the United States. It was thought by many Republicans to be impregnable.

Republican blame for the 78,431-to-50,090 GOP defeat abounded in the marbled halls of the old Utah County Building where Republicans had gathered election night to watch the progress of candidates.

Even before the first returns were in, the mood there turned somber as Brigham Young University political scientist David Magelby's exit polling results showed a 62-37 percent margin in favor of the Democrat.

In past elections Magelby's exit polling had always closely mirrored the final outcome.

A disappointed Linda Walton blamed her favorite candidate's loss on an advertisement she didn't prepare. "I think it killed him," said Walton, who called the advertisement a cheap political shot that backfired.

Her Walton Group ad agency prepared most of the political advertising for Snow. And she claims she had nothing to do with the dirty-tricks advertisement.

The immoderate advertisment characterized Orton as a bachelor with no family and lacking personal values.

Under a photo of Snow, his wife and six children, a caption read — "Karl Snow and his family." Under a mug-shot photo of Orton, a caption read — "Bill Orton and his family."

The ad was published Sunday in the Utah County Journal, a free distribution tabloid that some saw as accommodating to Snow.

(See ORTON, Page A2)

Related stories inside



Democrats relish their gains

By The Associated Press

Democrats today celebrated their gains in Congress and the takeover GOP hands. The president's party also made inroads in the Northeast and industrial Midwest, electing will look a lot like the late, unlamented 101st.

"We've got a lot to smile about."

N000041

N000042

ORTON:

(Continued from Page A1)

On Saturday, before the ad was published, a poll showed Snow with a 48-35 edge.

Walton said Snow campaign director Stephen Suddert of Highland had placed the ad without Snow's knowledge or blessing.

Studdert was noticably absent from a gathering of Republicans at the old county building. Asked if he was expected at the gathering, an angry Walton said, "If he does show up, he will be singing soprano."

She said maybe Studdert had worked too much at the National GOP level and thought such a negative ad would help Snow in Utah's most Republican district.

Studdert has been the number one advance man for Ronald Reagan and President Bush and organized Reagan's inauguration.

Snow blamed his loss on more than the bachelorhood advertisement.

On television, he publically apologized to Orton for the ad. He claimed he had nothing to do with.

But Snow said part of his loss had to do with negative advertising aimed at him.

"Where was everybody when they ran the negative ads about me?" Snow asked.

He was referring to at least three full-page anti-Snow advertisements in The Daily Herald. One was placed by Peggy Fugal, a disgruntled advertising executive who claimed Snow didn't pay her for his unsuccessful 1984 gubernatorial race.

She was at the Orton gathering at the Excelsior Hotel and gloating over his victory. "You didn't think we could to it," she said.

Another was placed by the Snow-critical Utahns for Ethical Government, that capitalized on alleged ties to convicted felon Michael Strand who manipulated stock in Unique Battery/Global Oil.

Utahns for Ethical Government spokesman Scott Norton said this morning that "We really went after somebody's reputation. It's sad to have to do it, but on the other hand I think it was justified."

"My own personal feelings is that the next person to run, who has a shady background, will think twice about it."

Yet another ad was placed by Republicans for Orton, GOP rebels who supported the Democrat. One of the members at the Excelsior said Sen. Orrin Hatch Thursday had tried for more than two hours to get him and others to switch back to Snow. He said some had, but he stood beside Orton.

"This is evidence that negative campaigning does work," said Snow.

Snow said his loss was a sum of many parts, including what he called his own character assassination in the Strand issue and possibly an anti-Bush budget backlash. He also said the independent groups such as Republicans for Orton and the Utahns for Ethical Government hurt his campaign.

He also credited Orton with running a good campaign with many former John Harmer supporters pitching in. Snow had defeated Harmer, a Republican, in the GOP primary.

Orton said the ad may have been "the straw that broke the camel's back." But he said the ad alone didn't result in his surprising win.

He again decried the negative aspects of the campaign and said he had nothing to do with negative campaigning, and only stuck to the issues.

"My win was clearly an indication that voters are fed up with politicians and business as usual," said Orton.

Asked if he thought he would have won if no negative aspects would have entered the political campaign, he said — "I think I would have been even further ahead."

"I've surprised people here. I took all the political advice and did the opposite of what they told me," said Orton.

He said he entered the race as a darkhorse candidate who thought he had an outside chance of winning. But he said in August he realized he was going to win.

He said like almost everybody, he was surprised by the winning margin.

Even before his supporters — some wearing Orton T-shirts and some wearing Republicans for Orton T-shirts — arrived at the hotel. Orton was confident. He'd been tipped off even before the first exit poll was publicly announced.

Utah County Democratic Party Chairman Robert Stringham said that while he Orton and a few members of the Democrat's campaign were setting up at the hotel a call came in from a Magelby pollster.

"They told Bill to wear his best suit," said Stringham.

Later Orton was reported to have been asked about the weather and replying 'Snow will fall."

During the gathering of Orton supporters, the victor made his own reference to his "family." With his mother Caroll, father Don and sisters Tanya and Sally around him he looked toward the television cameras and said, "This is my family."

Snow campaign Manager Clark Caras said Snow saw the first exit polls at his home in the presence of his family and just a few campaigners.

"When the fist polls came, Karl's kids hugged him and he hugged Donna," said Caras.

"Someone, I don't remember who, said — 'This too shall pass.'"

"Karl told us workers, 'Thank-you.' He said we did all we could.

Former GOP candidate Dean Bristow, who lost at the GOP convention, said Snow had "been assasinated" by unfair and too extensive bad publicity. He said he didn't know who was responsible, but when asked if the press had played a part, he said said The Daily Herald was specifically responsible.

Snow's financial chairman, Chris Cannon, also blaimed The Herald for too much coverage of the Michael Strand issue. On Friday, he had insisted in being quoted in the Herald, saying that because of Orton's age of 42 and his never being married the Democrat was not fit for life much less Congress.

Former GOP candidate Richard Harrington, who lost at the convention, said he was surprised that so many Republicans voted for Orton and said he believe the harping on Snow's past accounted for the split in the party. He said that won't likely happen in 1992 and he said he was planning to restart his political campaign.

Snow's GOP primary rival said he was surprised by the change from the last Dan Jones poll to the final results and thought the bachelorhood ad would be damaging but not fatal.

Harmer publicly supported Snow, but many of his former supporters have subsequently supported Orton, including his daughter Vivian who had worked on Orton's campaign.

"I voted a straight Republican ticket," he said.

Asked if he his hat would likely be thrown in the 1992 political ring against Orton, Harmer said, "That's a distinct possibility."

Tuesday night, Orton was asked when he planned to start campaigning for 1992. He replied, "Yesterday."

GULF:

(Continued from Page A1)

crisis. But he added that "we cannot rule out the possible use of force before we see that the matter is resolved peacefully."

Baker also denied reports he gave Iraq an ultimatum to get out of Kuwait in the next two weeks. The reports by Israel army radio and stations in Luxembourg and Monte Carlo said Baker had asked his Chinese counterpart, Qian Quichen, to tell Saddam Hussein that U.S. forces would attack if he didn't comply. Baker met with Qian in Cairo, Egypt, on Tuesday.

Qian indicated to Baker on Tuesday that Beijing would not stand in the way of any U.N. vote authorizing a military strike to force Iraq out of Kuwait, U.S. officials said. But Qian, who met for two hours with Baker in Cairo, did not explicitly approve sending troops into action.

"We'll have to wait and see," Qian told reporters. China is one of the five U.N. Security Council members with veto power over resolutions.

Qian met with Egyptian President Hosni Mubarak today.

U.S. officials said Mubarak agreed during a meeting with Baker that "a partial solution" to the Persian Gulf crisis was unacceptable, that U.N. resolutions demanding an Iraqi withdrawal be implemented fully.

The officials insisted, however, that Baker had not discussed a timetable with Mubarak for any attack.

Iraq seized oil-rich Kuwait on Aug. 2 and then annexed it. The United Nations responded by mandating an embargo on trade with Iraq and ordering it responsible for war damages.

The Japanese hostages who were freed today left Baghdad aboard a Japan Air Lines charter flight with former Japanese Prime Minister Yasuhiro Nakasone, who secured their release.



Malcolm Beck — Gary Herbert

ELECTION:

(Continued from Page A1)

richer, the poor got poorer, and the middle class got squeezed."

"George Bush is in a slide," he said. "The debate now is focused on issues where Democrats are the strongest. I think that's what this election cycle clearly showed. George Bush is extraordinarily vulnerable in 1992."

Bush spent the morning in the Oval Office and offered no comment. But White House spokesman Marlin Fitzwater said "all in all, it looks like a pretty standard off-year election that has something in it for everybody."

"You win some and you lose some," Fitzwater said.

And the Republicans' chief spokesman, Charles Black, said the GOP had bested the trend for midterm losses, and insisted, "It's a good day for the president."

Brown said: "George Bush didn't stay long enough."

Of the 32 senators who sought re-election, 31 won easily. Only Republican Sen. Rudy Boschwitz lost — to liberal college professor Paul Wellstone. In the House, the re-election rate for incumbents was 96 percent.

With several House races still to be decided, the likely outcome would give the Democrats a 268-167 majority, a gain of nine seats including Vermont socialist Bernard Sanders, who's expected to side with the Democrats.

The three fastest growing states — California, Florida and Texas — entered the election with Republican governors. The Democrats captured Florida and Texas, while the Republicans held on to California, Illinois and led the way into the post-Dukakis era in Massachusetts.

John Engler of Michigan and Arne Carlson of Minnesota brightened the morning after Election Day for the Republicans, ousting Democratic incumbents. Engler beat James Blanchard, and Carlson unseated Rudy Perpich.

By late morning, the Arizona governor's race between Democrat Terry Goddard and Republican Fife Symington was the only undecided contest.

Incumbent Navajo wins

BLANDING — Mark Maryboy, Utah's only Indian county commissioner, won a second four-year term as the sole Democrat on the San Juan County Commission. But five other Indians failed in their unprecedented drive to gain office in the southeastern Utah county's government, long dominated by white Republicans.

COUNTY:

(Continued from Page A1)

liam S. Christian, running as an independent, received 3,962 votes. The candidates were vying for the seat vacated by County Attorney Steven Killpack.

Incumbent Republican County Recorder Nina B. Reid won handily over her Democratic opponent Lousie Fucile by a vote of 38,100 to 14,727.

The votes for uncontested candidates were as follows:

County Assessor Ronald M. Smith, 41,808.

County Clerk/Auditor J. Bruce Peacock, 41,516.

County Sheriff David Bateman, 42,611.

County Surveyor Clyde R. Naylor, 43,057.

PRICES EFFECTIVE TUESDAY THRU SATUR
REAM
HIGHEST
LOWEST
1350 NORTH FREEDOM BLVD., PROV
WE ADD ONLY 10%
BANA
Golde
Lb.
TOMATOES
Dy Tine Can, Lb. 29¢
CELERY
Former Pack, Lb. 19¢
APPLES
Wash. Red Delicious, Lb. 39¢
REAM'S QUALITY MEATS
Loin
L
PORK CHOPS
Lb. 1.49
WHOLE FRYERS
Lb. 49¢
CREAM CHEESE
Western Family, 8 Oz. 69¢
BURRITOS
Los Compadres, 10 Pack 2.19
TIS
6
F
RAISINS
Champion 2 Lb. 1.79
HONEY
Bee Bee Squeeze, 24 Oz. 1.49
CANNED MILK
Western Family, Tall 39¢
FROZEN YOGURT
Life Time ½ Gal. 1.99
MARGA
Impe
1 L
CAT LITTER
Jenny Cat, 25 Lb. Bag 2.79
DIAPERS
Wipe, 24 Ct., 24 Ct. 2.79
TOPPING
La Crema, 8 Oz. 69¢
SALTINES
Sunshine, 1 Lb. 79¢
PASTR
White/Gr
Reg
ROLLING PIN

N000043

Inside Today:

4th District Judicial Center said to be a reflection of Utah growth
Page B1

World
Gunshots fired near Gorbachev
Page A5

Lifestyle
Healthy lifestyles for the elderly
Page B6

Spo

The Daily Herald

Wednesday, November 7, 1990 Central Utah's Newspaper for 116 Years — Issue No. 99, Provo, Utah

Democrat Orton beats Snow in stunning

9704338306



Herald Photo/Trent Nelson

Democrat Bill Orton shares his victory joy with his parents Don and Caroll Orton Tuesday night.

By PATRICK CHRISTIAN
Herald Staff Writer

Democrat Bill Orton declared political victory Tuesday night in a surprising 3rd Congressional District upset that stunned confident Republicans.

This morning, a lot of Republicans were shaking their heads in disbelief and already talking about 1992.

As the metaphor goes, the fat lady sung. For those who remember the past, she could have been a metaphorical Margaret Truman. The song she sang was a decisive 58-37 percent Democratic victory for Orton over Republican Karl Snow in Utah's newest and largest district — a distict left undefended by retiring Republican Howard Nielson, who called Orton's win devastating to the GOP.

Wayne Owens' successful re-election and Orton's victory mark the first time since 1974 that Utah Democrats gained more than one voice in Congress.

The 3rd District was one many GOP supporters liked to describe as the most Republican district in the United States. It was thought by many Republicans to be unpregnable.

Republican blame for the 78,431-to-50,090 GOP defeat abounded in the marbled halls of the old Utah County Building where Republicans had gathered election night to watch the progress of candidates.

Even before the first returns were in, the mood there turned somber as Brigham Young University political scientist David Magelby's exit polling results showed a 62-37 percent margin in favor of the Democrat.

In past elections Magelby's exit polling had always closely mirrored the final outcome.

A disappointed Linda Walton blamed her favorite candidate's loss on an advertisement she didn't prepare. "I think it killed him,"



Republican Karl Snow and his family appear before supporters Tue

Democrats relish their gains

By The Associated Press

Democrats today celebrated their gains in Congress and the takeover of governors' offices in high-growth Sunbelt states. They swiftly proclaimed the midterm election results show "George Bush is extraordinarily vulnerable in 1992."

But Republicans also had victories to hold up, including the biggest prize of all as Pete Wilson kept the California governorship in GOP hands. The president's party also made inroads in the Northeast and industrial Midwest, electing governors in Michigan, Ohio, Minnesota and Massachusetts.

In an election framed by fear of recession and war, by unhappiness with taxes and politicians, governors of both parties took a beating. That wasn't true in the House and Senate, where most incumbents won and where the 102nd Congress will look a lot like the late, unlamented 101st.

"We've got a lot to smile about," said Democratic National Chairman Ron Brown as he surveyed the midterm returns on CBS' "This Morning."

Later, at a news conference, Brown made it clear he was taking dead aim on the 1992 presidential election and was determined to pursue the "fairness issue" Democrats used effectively this year.

"The American people are saying enough is enough," said Brown, reciting the now-familiar Democratic description of the past decade as a time when "the rich got

(See ELECTION, Page A2)

Utah County Election Results

3rd District

❑ Karl Snow	50,090
☑ Bill Orton	78,431
❑ Robert J. Smith	6,525

Republicans sweep Utah County races

Iraq says i

publicans for Orton, GOP rebels o supported the Democrat. One the members at the Excelsior suit," said Stringham.

Later Orton was reported to have been asked about the weather and when he planned to start campaigning for 1992. He replied, "Yesterday."



Malcolm Beck Gary Herbert

ELECTION:

(Continued from Page A1)

cher, the poor got poorer, and the iddle class got squeezed."

"George Bush is in a slide," he uid. "The debate now is focused ı issues where Democrats are the rongest. I think that's what this lection cycle clearly showed. eorge Bush is extraordinarily vul- erable in 1992."

Bush spent the morning in the val Office and offered no com- ıent. But White House spokesman larlin Fitzwater said "all in all, it oks like a pretty standard off- ear election that has something in for everybody."

"You win some and you lose ome," Fitzwater said.

And the Republicans' chief pokesman, Charles Black, said the OP had bested the trend for idterm losses, and insisted, "It's good day for the president."

The Democrats cited the poor howing of candidates for whom ush campaigned. Brown said the resident "campaigned heavily for 8 candidates and 14 of them lost."

Asked why the Democrats lost he California governor's race, Brown said: "George Bush didn't stay long enough."

Of the 32 senators who sought re-election, 31 won easily. Only Republican Sen. Rudy Boschwitz lost — to liberal college professor Paul Wellstone. In the House, the re-election rate for incumbents was 96 percent.

With several House races still to be decided, the likely outcome would give the Democrats a 268-167 majority, a gain of nine seats including Vermont socialist Bernard Sanders, who's expected to side with the Democrats.

The three fastest growing states — California, Florida and Texas — entered the election with Republican governors. The Democrats captured Florida and Texas, while the Republicans held on to California, Illinois and led the way into the post-Dukakis era in Massachusetts.

John Engler of Michigan and Arne Carlson of Minnesota brightened the morning after Election Day for the Republicans, ousting Democratic incumbents. Engler beat James Blanchard, and Carlson unseated Rudy Perpich.

By late morning, the Arizona governor's race between Democrat Terry Goddard and Republican Fife Symington was the only undecided contest.

Air Pollution

The following information is taken rom the Wasatch Front air pollu- ion report compiled by the Utah ureau of Air Quality. The complete eport is available by telephone at 73-9560.

Conditions as of 8 a.m. were as ollow:

Residential Areas

UTAH COUNTY ..... good
alt Lake ..... good
Veber ..... good

Downtown Areas

ROVO ..... good
alt Lake ..... good
gden ..... good

Overall Air Clarity

The air quality for today was good n all areas along the Wasatch ront.

Outlook

Forecast called for an increase in

Incumbent Navajo wins

BLANDING — Mark Maryboy, Utah's only Indian county commissioner, won a second four-year term as the sole Democrat on the San Juan County Commission. But five other Indians failed in their unprecedented drive to gain office in the southeastern Utah county's government, long dominated by white Republicans.

FOOD:

(Continued from Page A1)

put the initiative on the ballot.

Most education groups opposed Initiative A, saying it would be disastrous for Utah's public and higher education. College and university officials predicted a net loss of about $31 million and Wm. Rolfe Kerr, state Commissioner of Higher Education, said passage could deny admission to as many as 9,700 new students.

Cook blamed an "element of fear" for the voters' behavior.

"People were worried about higher education and that another tax may have to go up to balance it out," he said. "We tried to counterbalance that by talking about the surplus."

Cook maintained the initiative would have no effect on the state budget because of an estimated surplus of $100 million, but state officials contended that all the extra money was needed to maintain existing services.

year waged a low-key campaign he hoped would be less offensive to the majority of the voters.

The only group to formally organize in opposition of the food tax removal was Utahns For Higher Education, chaired by state Board of Regents member Dale Zabriskie. The group registered as a political interest committee.

Zabriskie formed the committee along with Mike Leavitt, another regent, and asked all nine of the state's college and university institutional councils for moral and financial support.

Zabriskie contended higher education was one of the few groups directly threatened if the measure passed because sales tax goes to the state's general fund, which in turn is used for higher education and other state programs.

He said that while major challenges still face higher education in light of projected enrollment increases of 25,000 by the end of the decade, the initiative's defeat eased some worries.

"It would've been almost impossible to handle had that initiative passed," Zabriskie said.

Word of the proposal had

COUNTY:

(Continued from Page A1)

liam S. Christian, running as an independent, received 3,962 votes. The candidates were vying for the seat vacated by County Attorney Steven Killpack.

Incumbent Republican County Recorder Nina B. Reid won handily over her Democratic opponent Lousie Fucile by a vote of 38,100 to 14,727.

The votes for uncontested candidates were as follows:

County Assessor Ronald M. Smith, 41,802.

County Clerk/Auditor J. Bruce Peacock, 41,510.

County Sheriff David Bateman, 42,611.

County Surveyor Clyde R. Naylor, 43,057.

County Treasurer Leonard R. Ellis, 43,352.

Approximately 54 percent of Utah County's 105,854 registered voters went to the polls in Tuesday's off-year election.

The Utah County Clerk/Auditor's Office reported that 57,214 ballots were cast in the election.

Election personnel said they considered the vote very good for an off-year election. In the last general election, approximately 67 percent of voters went to the polls.

The Daily Herald
(I.S.S.N. #891-2777)
Second Class Postage Paid at Provo, Utah
U.S.P.S. ID #143-060
Published Daily by
SCRIPPS LEAGUE NEWSPAPERS, INC
1555 North Freedom Blvd
P.O. Box 717
Provo, Utah 84603-0717
KIRK PARKINSON, Publisher
N. LaVERL CHRISTENSEN, Editor/Editor Emeritus
1949 - 1989
POSTMASTER:
Send change of address to
The Daily Herald
P.O. Box 717

Sue Bee Squeeze, 24 Oz. .....
CANNED MILK
Western Family, Tall ..... 39¢
FROZEN YOGURT
Lite Time ½ Gal. 1.98
Knudson
PIZZ
Frozen,
GIAN
Hersey

MARGARINE
Imperial
1 Lb.

CAT LITTER
Jonny Cat, 25 Lb. Bag 2.79
DIAPERS
Ultra, 34 Ct., 24 Ct. 2.79
TOPPING
La Creme, 8 Oz. ..... 69¢
SALTINES
Sunshine, 1 Lb. ..... 79¢
CHIPS
Rainbow,
DOG F
Mainstay,
DOWN
Fabric So

PASTRY BO
White/Gray, 18"
Reg. 23.00

ROLLING PIN
Wooden Handle, Reg. 8.99 ..... 4.99
CHEESE SLICER
Extra Blades, Reg. 6.19 ..... 3.99
LIGHT BULBS
4 Pack, Soft White 1.99
3-WAY BULBS
Reg. 1.99, 50, 100, 150 ..... 99¢
FLOUR
4 Pool,
POTPO
Holiday
SANY
Recorde

LOVE YOUR PLUSH
DOG & GORILLA

HOLIDAY TINS
Asst. Designs W/Lids, 5 Gal. 8.99
SMALL HOLIDAY TINS
Reindeer Design 1.39
HOLIDAY PLATTERS
Glass, 12" Asst. 3.99
4 CAROLERS
Hand Painted, Reg. 49.99 ..... 29.99
MUSI
Arnart,
DISHE
Oval Or
CHRIS
Asst.
GLAS
19 Piece

"FRESH FROM OU
TURKEY SANDWICH & CH

9 7 0 4 3 8 3 0 6 5 2

Balloting sure shook up Bush veto margin

AP analysis

WASHINGTON (AP) — It's getting lonelier at the top, where President Bush has seen his House veto margin shaken in off-year elections that also turned down Republican governors in two of the states he campaigned hardest to hold.

Bush waged the most extensive midterm campaign of any president — a year-long effort that included 115 stops for Republicans and helped them raise more than $80 million. But he didn't have much to show for it.

Republican Sen. Pete Wilson won the biggest of the off-year prizes, governor of California. That job is vital to Republicans, who a decade ago watched helplessly as Democrats carved up congressional districts to their advantage. With a Democratic legislature, only a GOP governor could block a replay this time for a House delegation growing to 52 seats.

But Democrats will succeed Republican governors in Florida, which is gaining four seats in the reapportioned House, and Texas, which picks up three. Bush made three campaign stops for Gov. Bob Martinez in Florida. And he spent the last three days in his Texas home base, stumping for Clayton Williams, the Republican gubernatorial nominee who lost to Democrat Ann Richards.

Richards, the state treasurer, was the 1988 Democratic convention speaker who had taunted Bush as a man "born with a silver foot in his mouth."

Offsetting these Sun Belt setbacks, Republicans gained governors in Ohio and in Massachusetts and held on to Illinois. Those states, too, will draw new House districts next year, because of population shifts that cost them seats.

For all the poll findings of voter frustration and disenchantment, incumbent members of the Congress proved, again, to be almost impervious to challenge. More than 95 percent of them were returned to Congress.

Charles Black, spokesman for the Republican National Committee, said he saw "more of an ongress trend rather than an anti-presidential trend."

It all added up to a likely Democratic gain of eight seats in the House, no more than one in the Senate.

Those numbers are well below the average midterm losses of the White House party. But it's the mirror image of a 1988 presidential election in which the GOP lost congressional strength while the Bush ticket was winning.

And even marginal losses could jeopardize Bush's ability to withstand the two-thirds votes it takes to override a presidential veto, a tool he has used 16 times so far.

"George Bush cannot win the Congress and must no longer rule by veto," said Rep. Richard A. Gephardt, D-Mo., the House majority leader.

Other Democrats turned instantly toward the next election, with the White House at stake. "We have an opportunity to do what was inconceivable six months ago — that is to defeat a Republican president," said Gov. Richard F. Celeste of Ohio, chairman of the Democratic Governors' Association.

"If the election for president were tonight, George Bush would lose," claimed Ronald H. Brown, the Democratic national chairman.

But Edward J. Rollins, who manages the Republican Congressional Campaign Committee — and drew White House wrath by advising GOP candidates that they shouldn't hesitate to oppose Bush on tax increases — said he now thinks "the president is doing fine."

Democratic leaders who rank among the likely prospects to run against him in 1992 were re-elected on Tuesday. Among them are New York Gov. Mario Cuomo, Georgia Sen. Sam Nunn and Tennessee Sen. Albert Gore, who won in landslides.

Money not a factor in victory for Orton

By SUSAN SCHAUER
Herald Washington Bureau

WASHINGTON — Utah's 3rd Congressional District seat, held for eight years by retiring Republican Howard C. Nielson, is now in the hands of Democrat Bill Orton, who had no where near the financial support of favorite Karl Snow.

In a district that has historically leaned Republican, Orton secured 79,102 votes — 62 percent, while Snow garnered 49,369 votes — 38 percent.

Orton, 42, of Provo, had significantly less money to spend on his campaign. According to the latest campaign finance reports filed with the Federal Election Commission, Orton's total receipts as of Oct. 17 totaled $63,794, compared with the $207,456 that lined Snow's coffers.

Snow, 59, also of Provo, collected $62,750 from political action committees (PACs), compared to $21,496 secured by Orton.

While Snow spent $192,750 on his campaign, Orton won the seat after doling out only $41,316.

Up until now, Utah's 3rd District has been billed as the nation's most Republican district. Orton counted on continued GOP disunity and his own conservative stands to boost him to victory Tuesday.

In Utah's 1st and 2nd Congressional District races, incumbents James V. Hansen and Wayne Owens both won reelection.

With 54 percent of the vote, Hansen, 58, of Farmington, was elected to a sixth term over Democratic challenger Kenley Brunsdale, 33, of Bountiful.

Hansen collected $232,319 to line his campaign warchest, including $157,429 from PACs. Brunsdale received only $108,276 in contributions, including $52,250 from PACs.

In the push to win re-election, Hansen spent $128,738 on his campaign, compared to the $86,843 spent by Brunsdale, a former congressional aide.



AP Laserphoto

Supporters and reporters gather around Bill Orton as he talks with Karl Snow Tuesday in Provo.

In the 2nd Congressional District, Owens got 59 percent of the vote over Democratic challenger Genevieve Atwood, 42, of Salt Lake City. Owens collected $790,210 for his campaign, including $407,322 from PACs, while Atwood collected $30,886, including $23,000 from PACs.

Owens spent $810,292 on his campaign, compared to the $226,858 spent by Atwood, who blindsided former Rep. Dan Marriott — once considered a prohibitive favorite for the nomination — to win the Sept. 11 primary.

Recount possible in Nebo school board race

Herald Staff Report

SPANISH FORK — With final figures trickling in during early morning hours LaMar Wilson Payson pulled out a win over Lew Christiansen and Jim Dunn made it by Jacky Caras for seats on the Nebo School Board.

call materializing this morning.

In some precincts, some voters were missing the state school board members from their ballots and others were missing the local school board election.

Caras said she has recieved numerous phone calls during the

Dunn, an educator at BYU was unavailable for comment this morning.

In Nebo Precinct No. 4, Richard LaMar Wilson received 1,547 votes to defeat Lew Christensen, with 1,356.

Bonnie J. Palmer, incumbent in Precinct 5, received 1,604 votes to

Campbell, 3,749.

Alpine Precinct No. 5 — J. Blake Evans, 4,586.

Provo Precinct No. 1 — Mossi W. White, 1,902.

Provo Precinct No. 5 — David G. Weight, 2,876.

Two seats on the State Board of Education were up for grabs. Utah

N0000045

9704383063

The Daily Herald

Also in this section:
- Obituaries B2
- Opinions B4
- Lifestyle B6-B8

Local

Wednesday
Nov. 7, 1990
B1



Herald Photo/Trent Nelson

Lesa Wassmer, left, and Gene Chivers pack depositions for a move from the old courthouse to the new one.

New judicial center is a reflection of Utah growth

By KAYLENE NELSEN
Herald Senior Reporter

The new 4th District Judicial Center is a reflection of the growth occuring in Utah, a state Supreme Court Justice told a group gathered for the dedication of the building Tuesday.

"This building brings to my mind that Utah is a fast-growing state," said Associate Chief Justice Richard Howe, who was representing Chief Justice Gordon Hall at the ceremony. "This building has been made necessary by that growth."

It is necessary to make facilities match the growth. "Things move on and it's time to move into this building where the public can be better served."

State Court Administrator William C. Vickrey said the public tends to focus on the problems in any system rather than seeing the progress. He said the new building, which is located at 100 North and 100 West in Provo, shows progress that can be made in finding a solution to a complex problem. That solution involved the city in building the court facility which meets all the standards of the state judiciary committee.

Cullen Y. Christensen, presiding judge in the 4th District, said the old court building had an impressive history and had served well. The new building will serve that same purpose, he said.

He commended the numerous people involved in making the building a reality. "I hope not only will it be known as a court building but will be identified as a building of true justice for all."

E. Patrick McGuire, presiding 4th Circuit Court judge, recalled talking with Circuit Court Clerk Hermine Harvey six and a half years ago about the need for a new facility for the circuit courts, long before a building for both district and circuit courts was discussed.

The facility the Provo 4th Circuit Court has occupied in the Provo City Building had space for five clerks but today 16 must work in that space, he said.

The new building is beautiful, he said but added "although this is palatial, we are here to serve the people."

Neal Stowe, director of the state building board, said the building could have been built somewhere else in the city but the present site was selected to be a part of the redevelopment work going on in the downtown area.

Mayor Joe Jenkins said the building has been nothing but bonuses, noting that it came in at or slightly below cost and was finished on schedule.



Richard Howe

He said the city is working with the county to make sure the old courthouse is still used. He pointed out that it may actually have more public use now without the courts there and the security necessary there.

Kem Gardner, of The Boyer Company which was the developer on the project, said his company has a great sense of pride when putting together a major community project such as the court building.

Martin appointed new CAO

By CHRISTI C. EVANS
Herald Staff Writer

Provo city received a new chief administrative officer Tuesday as Municipal Council members adopted a resolution appointing Thomas A. Martin as the replacement of current CAO Chet Waggener.

Martin, who currently serves as the city manager of Mt. Pleasant, Mich., will begin his duties with the city on Dec. 10, said Mayor Joseph A. Jenkins. Waggener has announced his plans to retire from the city at the end of this year.

"(Martin) has indicated on the advice and consent of the council, he'll come work for us," Jenkins said. Council Chairman Gordon Bullock said he was impressed with Martin's credentials.

Before working as city manager of Mt. Pleasant, a city with a population of 25,000, Martin worked as assistant city manager in Royal Oak, Mich. Royal Oak has a population of 80,000.

His education includes a master's degree in public administration from Wayne State University, Detroit, Mich., and a bachelor of arts degree with a political science major from Brigham Young University.

Martin had been considered and chosen as a finalist for the city manager position in three other cities during the past few years before landing the post in Provo. These cities included Kalamazoo, Mich.; Corvallis, Ore. and Vancouver, Wash.

"My experience and maturity in working with senior level department heads should help Provo in the transition as Chet Waggener retires as CAO," wrote Martin in a letter to Provo city's personnel director. "Over the years I have developed a team-building management style in working with staff members.

"With elected officials and citi-

Doctors campaign against drugs at middle school

By CHRISTI C. EVANS
Herald Staff Writer

Taking advantage of their esteemed position in society, Utah County doctors visited Provo's Farrer Middle School Tuesday as part of a valley-wide crusade for drug-free youth.

On volunteer time, 14 doctors visited the school's seventh grade classrooms and explained the dangers of legal, prescription and street drugs.

Dr. J. Cordell Bott, president-elect of the Utah County Medical Society, which includes about 99 percent of valley doctors.

"Our goal is to hit all seventh grade classes every year," Bott said. Doctors have already visited middle schools in the south end of the county and are now working on the central and north areas, he said.

The effort was coordinated over three months and the doctors are trying to visit all the middle schools within two weeks, Bott said.

"I think it was a very good reception," said Tom Carter, Farrer Middle School principal. "I think this just adds another layer of significant adults" who are against drug abuse, Carter said.

"There are tons of athletes who don't use drugs, yet all it takes is just one" to set a bad example, Carter said. He emphasized the importance of significant adults such as teachers, parents and community leaders warning children about drug abuse.

Bott said doctors decided to focus on legal drugs because children know what's going on. They're in the situation where they've got to make decisions for themselves," Bott said.

"We want kids to be more aware of drugs and have the guts to say no," he said.

As a cancer specialist, Bott focused his presentation to the seventh graders on legal drugs such as tobacco and alcohol. The drug that kills the most people in the world is tobacco, he said.

Ninety percent of those adults [illegible] nicotine addition, Bott told Farrer seventh graders.

"When they smoke when they're adults, they smoke because they have to, not because they want to," he said.

Alcoholics who smoke have said the nicotine addition is much stronger than alcohol, Bott said.

Some students will find themselves in a position to make a choice of whether to drive drunk or ride with a drunk driver. Bott said.

N0000046

unsuccessful bid for the Senate, then won it again in 1986.

He complimented Atwood for waging a "workhorse" campaign featuring nearly two dozen debates in Utah and by satellite and telephone while Owens was in Wash-

was the sole Democrat in Utah's five-member congressional delegation.

If one issue dominated the campaign, it was the federal deficit and Congress' efforts to tame it.

Billing herself as a strict fiscal

Among those "most likely to vote," Owens led by just 47-45 percent, a statistically insignificant lead in a poll with an error margin of 5.7 percent.

Owens fared better in a Deseret News-KSL-TV poll, maintaining an

stop six days before the election, although she raised eyebrows when she told the First Lady she supported the president "down to my underwear."

On Sunday, President Bush called her at her Avenues home and pledged his support, although

Atwood, an Episcopalian, emphasized her respect for Mormonism and frequently mentioned her elderly father's conversion to the faith.

Owens, the state's most visible Democrat, is a former president of

Owens, however, pointed to her opposition to a family medical leave act Bush vetoed, saying such a position put working men and women in the untenable position of having to choose between their jobs and their families.

Hansen beats Brunsdale in closest Utah congressional race

By BOB BLACK
Associated Press Writer

OGDEN, Utah (AP) — Rep. James V. Hansen survived a challenge by Democrat Kenley Brunsdale but felt the winds of political mortality and took the lesson.

The election results "just go to show that the people of this state can speak out if they want to and throw us all out," said the five-term 1st District Republican incumbent, who received 82,286 votes or 52 percent.


Kenley Brunsdale

Brunsdale, 33, a Bountiful attorney who formerly was an assistant to Democratic Rep. Wayne Owens, picked up 69,219 votes, 44 percent, and vowed he would be heard from again.

Reva Marx Wadsworth, a North Salt Lake educator and writer representing the American Party, garned 6,397 votes Tuesday for 4 percent.

Hansen said he felt fortunate not to have been caught "in this Democratic sweep we seem to have going on in the state.

"I'm absolutely astounded at what's happening in Utah County," he said, referring to Democrat Bill Orton's upset victory over Karl Snow in the 3rd District congressional race.

But now we've got a chance to re-energize the Republican party in anticipation of the next election, which will include the presidential election. We've got to get the party together and I think we can do that," Hansen said.

Brunsdale said that though he lost the election, he still considered the race a victory.

"The campaign has been a success. We were the underdog," raising only half the campaign funds Hansen did, he said. "I'm very excited (the voters) heard the message."

And he promised, "You'll hear from me again."

From the beginning, Brunsdale was a hungry newcomer going against a confident veteran.

For most of the campaign, Hansen maintained a comfortable lead in polls taken in the district, which covers roughly the western half of the state from Promontory to the Arizona border.

In September, 63 percent of the voters favored Hansen, but Brunsdale whittled away at his support in the weeks before the election, and last weekend's polls showed Hansen leading about 57-32 percent.

Hansen spent little time campaigning in Utah, largely because of his showing in the polls and because of business in Washington. The two candidates met only once in a face-to-face debate, while oth-

1st District

er debates were conducted by telephone or satellite.

Hansen said he knew his constituents well and his philosophy fits with the district. He relied on his party identification and his reputation as a fiscal and ideological conservative.

Hansen also out-raised the challenger in campaign contributions more than 2-to-1. His campaign disclosure report of Oct. 29 showed he raised more than $188,000. Brunsdale gathered more than $82,000 during the calendar year.

With the discrepancy in funds, Brunsdale took his campaign to street corners. He said his "honk and wave" campaign enabled him to "look the voters in the eye" and say that he understands their frustration and knows their "pocket is being pinched by unfair taxes."

Hansen, who said he wants to spend two more years in Washington before running for governor or senator, left much of his campaigning to aide Peter Jenks, who called Brunsdale a liberal clone of Democratic Rep. Wayne Owens.

Brunsdale had worked as Owens' campaign manager and chief of staff in Washington, where he lobbied for legislation dealing with the Central Utah Project, compensation for victims of above-ground atomic testing and on environmental issues.

Brunsdale, a long-time environmental activist and Provo native, hammered at Hansen for doing nothing to stop a proposed natural gas pipeline that would carry Wyoming natural gas to California.

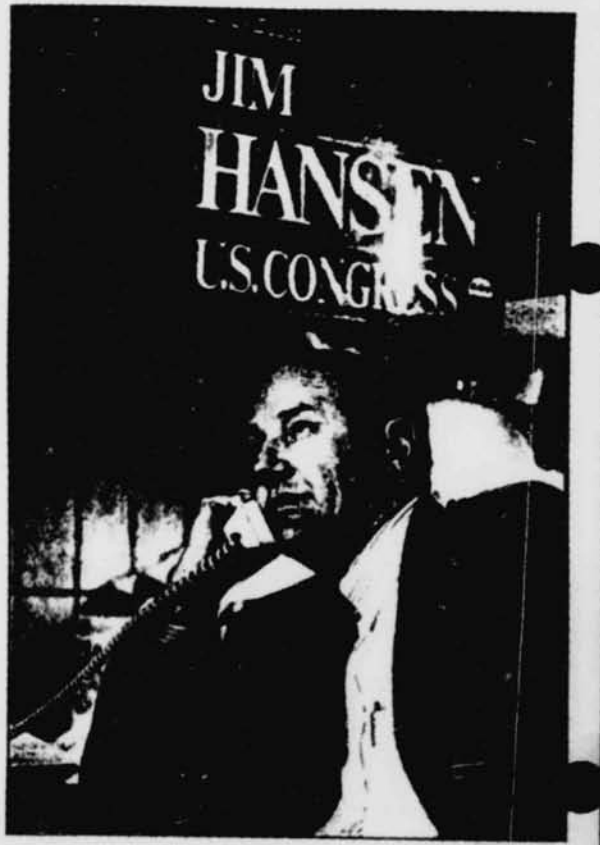
Hansen did sponsor a bill in February to stop the pipeline, which would run through Mueller Park and other watersheds above Bountiful, but it failed to get through the House.

While Brunsdale accused Hansen of avoiding the pipeline issue, Jenks countered that Brunsdale had avoided the issue of southern Utah wilderness, where most voters dislike environmentalists.

Hansen said he wants 1.4 million acres of Bureau of Land Management land set aside for wilderness. Brunsdale favored between 3 million and 5 million acres.

Hansen, 58, a Farmington native, entered city politics in the 1960s and later won a seat in the Utah Legislature, where he became speaker of the House. He won his first term on Capitol Hill in 1980 by beating incumbent Gunn McKay 52 percent to 48 percent.

McKay, after serving a Mormon mission overseas, returned to run again in 1986 and 1988 with the same result.



AP Laserphoto

Jim Hansen chats with a reporter prior to winning re-election to Congress Tuesday.

Demos Horiuchi, Bradley oust Shimizu, Barker

SALT LAKE CITY (AP) — Democratic challengers Jim Bradley and Randy Horiuchi ousted Salt Lake County Commissioners Bart Barker and Tom Shimizu, while Sheriff Pete Hayward's bid for a fourth term was defeated by Republican Aaron Kennard.

Republican Clerk H. Dixon Hindley also fell in Tuesday's election, garnering 75,223 votes or 42 percent to Democrat Sherrie Swensen's 83,951 or 47 percent. Independent Betty Christensen had 18,299.

Incumbents winning were Republican Assessor Robert L. Yates, Democratic Attorney David E. Yocom, Republican Auditor Craig Burg Sorensen, Republican Recorder Katie L. Dixon, Democratic Surveyor M. Carl Larsen and Democratic Treasurer Arthur L. Monson.

The defeats for Barker and Shimizu marked the first time in a decade that an incumbent Salt Lake County commissioner has failed in a re-election bid.

Bradley, a former state Energy Office director who lost to Commissioner Mike Stewart in 1988, received 104,825 votes or 59 percent to 10-year Commissioner Barker's 72,702 or 41 percent.

Bradley said, "I think the Salt Palace was probably (Barker's) Achilles heel. But I think he was wounded on many issues," including rejecting a Mill Creek Canyon entrance fee and failure to address long-term jail overcrowding.

Horiuchi, the loquacious former state Democratic chairman and professional lobbyist, eked out a narrow victory over Shimizu, a civil engineer and developer who was appointed in 1981, left in 1986 to make an unsuccessful bid for Congress and won re-election to the commission in 1988.

Horiuchi garnered 90,071 votes to Shimizu's 89,081.

Horiuchi's campaign stressed Salt Palace management, rehabilitating Mill Creek Canyon and improving county roads.

Shimizu had said the top issues were transportation and the environment.

Kennard, a Salt Lake City police captain, received 93,874 votes, 51 percent, to Democrat Hayward's 49 percent.

Kennard's campaign had attacked for the sheriff for lack of interdepartmental co-operation and he pledged to put at least 10 deputies into the Metro Narcotics Strike Force and push for merged gang and vice units.

Kennard, who had run for the commission as a Democrat in 1980, said the morale in the sheriff's office was the lowest it had ever been.

Yocom won a second term in turning back a challenge from Anderson, a former John Birch Society member.

Pons hides from television cameras, attends review

SALT LAKE CITY (AP) — A panel of scientists have begun their review of the Utah's National Cold Fusion Institute, but say the results of their work won't be available until mid-December.

Meantime, electrochemist B. Stanley Pons — who along with British colleague Martin Fleischmann claims to have produced nuclear fusion in room-temperature experiments — ducked from television cameras after being spotted sitting on the last row of a review meeting.

All the meetings are closed to the

as a member of that panel," he said.

Fritz Will, director of the NCFI, said he was pleased with the selection of scientists and predicted the review would move smoothly.

"This is no different from any other scientific review," he said. "The only thing that makes this one different is the attention of the media because it involves cold fusion."

Will said Pons was expected to attend Thursday's meeting of the state Fusion Energy Advisory Council, which is reviewing the state's expenditure of $5 million in

Election decides a record 28 ballot issues in Utah

By the Associated Press

Voters in Utah considered a record 28 ballot issues on Tuesday, with patrons in six of nine school districts deciding against increas-

Sevier tried again Tuesday, to no avail, with voters defeating the proposal 51-to-49 percent.

The other nay-saying districts were Duchesne, Nebo, Tooele, Uin-

and towns to establish special districts to provide health care services. Voters gave it 72-to-28 percent approval.

Prop 2, an "emergency powers"

percent against wilderness.

The vote was taken in a county where farming and ranching are critical livelihoods, but where residents last year voted 4-1 against

N0000047

9704383065 5

The Salt Lake Tribune

Vol. 241 No. 24 | Salt Lake City, Utah—Wednesday Morning, November 7, 1990 | Final Home Edition

N000048

Orton Pulls Upset; Owens, Hansen Win

By Douglas L. Parker
Tribune Political Editor

Utah Democrats gave Republicans a black eye in Tuesday's election with a huge upset victory for political newcomer Bill Orton to fill the open, GOP-dominated 3rd Congressional District seat.

With the companion re-election of Democratic Rep. Wayne Owens to a third consecutive term in the 2nd District, Democrats claimed two seats in the Washington congressional delegation for the first time in 14 years.

Five-term Republican Congressman James V. Hansen — who has often won by significant margins — wrestled to the narrowest victory in the 1st District against Democratic election newcomer Kenley Brunsdale to win his sixth term. Rep. Hansen had just a little over a majority.

The widespread Democratic uproar, after years of mostly a meek second-best, could be seen throughout the election map turning over several seats into the party's column in the Legislature and at the county government level, particularly in Salt Lake County.

A tumultuous cheer went up at Provo's Excelsior Hotel among disbelieving Orton supporters upon hearing the projections of exit polls immediately after the close of voting, and Mr. Orton declared to interviewers "I'm absolutely stunned. It was shocking. I kissed my mother and father."

Mr. Orton, a 42-year-old tax attorney, bested Republican Karl Snow, a veteran state senator and heir apparent to the retiring GOP incumbent, in a district that has been considered one of the most Republican in the nation since created in 1982. And the Democrat won handily with something around 57 percent of the vote.

The victory came as Mr. Snow, a Brigham Young University faculty member, became tarnished from questions over soured penny-stock investments in the mid-1980s. The Republican found himself trying in vain to heal factional wounds created in a bitter primary with businessman John Harmer, and to contend with a venomous assault on his integrity by a self-styled citizen group promoted largely by disgruntled investors.

Mr. Orton, a well-to-do bachelor making his first bid for office, pointed to a potential turning point for him coming from the backlash over a weekend campaign advertisement paid by a zealous Utah Republican Party eager to nail down a win. It compared his family status with that of Mr. Snow, and insinuated the Democrat was unfit to hold to "family values" because he was unmarried.

"That ad was very offensive to a lot of people in the district," Mr. Orton said. "It clearly backfired against the Republicans." I think there was a ground swell of people who found that totally offensive," said the Democrat, who, from the outset, characterized himself as conservative enough to wrest the electorate from knee-jerk Republican voting.

Mr. Snow admitted the ad focusing on Mr. Orton's marital status was a mistake and may have hurt the his campaign. He said he didn't have anything to do with it, and apologized the day before the election.

But he said other articles that questioned his own business prac-

See A-4, Column 1

☐ 1st District

586 of 593 Districts — 99 percent

Name, Party	Votes	— %
Kenley Brunsdale, Dem	68,543	— 44
James V. Hansen, GOP (i)	81,279	— 52

☐ 2nd District

566 of 566 Districts — 100 percent

Name, Party	Votes	— %
Wayne Owens, Dem (i)	85,080	— 58
Genevieve Atwood, GOP	58,830	— 40

☐ 3rd District

470 of 470 Districts — 100 percent

Name, Party	Votes	— %
Bill Orton, Dem	78,431	— 58
Karl Snow, GOP	50,090	— 37

☐ Food Tax Initiative

1,578 of 1,629 Districts — 97 percent

For	185,465	— 44 percent
Against	234,057	— 56 percent

☐ Commission A

702 of 702 Districts — 100 percent

Name, Party	Votes	— %
Bart Barker, GOP (i)	72,702	— 41
Jim Bradley, Dem	104,825	— 59

☐ Commission B

702 of 702 Districts — 100 percent

Name, Party	Votes	— %
M. Tom Shimizu, GOP (i)	89,081	— 50
Randy Horiuchi, Dem	90,071	— 50



Rep. James Hansen
Maintains 1st District Seat





William Orton
Upset Victory in 3rd District

Demos Knock Out Incumbents

Horiuchi





By Dan Harrie
Tribune Staff Writer

Salt Lake County voters swept out both incumbent Republican commissioners up for re-election Tuesday, replacing Bart Barker and Tom Shimizu with Democrats Jim Bradley and Randy Horiuchi.

The upheaval marked the first time in a decade any incumbent Salt Lake commissioner has failed in a re-election bid and ended 10 years of GOP control of the commission.

Mr. Bradley crushed 10-year veteran Mr. Barker by about 20 percentage points, while Mr. Horiuchi squeaked by with about a 2-point edge with 96 percent of the vote counted.

Democrats appeared to be holding their own in other county races, with three incumbents leading GOP chal-

Voters Quash Food-Tax Proposal; Bangerter Calls Defeat 'Prudent'

By Paul Rolly
Tribune Staff Writer

Voters Tuesday rejected the proposal to eliminate the 6¼ percent sales tax on food that government officials said would damage the budget

More Utah Voting: B-1,4

victory," Mr. Leavitt added. "We've overcome an obstacle, but the board still faces substantial challenges and we have a heavy task during the next decade. We must accommodate more than 20,000 new students."

9 7 0 4 3 8 3 0 6 5 6

N00004 9

Happy Days Here Again for Demos

Continued From A-1

was leading in his re-election bid in Maine.

Sen. Lowell Weicker vexed the GOP again, this time as an outsider, with an independent victory for governor of Connecticut. Republican Gov. Kay Orr was trailing, barely, in Nebraska.

Vermont sent Socialist Bernie Sanders to the House. He defeated a Republican and said he'd caucus with the Democrats. But former GOP Gov. Richard Snelling won his old job back, and with it, the statehouse for his party.

The environmental movement suffered major setbacks Tuesday in California, Oregon and Missouri, while taxing and spending limits in Massachusetts and a half dozen other states also fared poorly at the polls.

Voters backed liberal abortion laws in Oregon and Nevada.

But residents in California, Colorado and Kansas City vented their anger at incumbents by approving limits on the number of terms politicians can serve.

California Proposition 128, known as "Big Green," lost by a 2-1 margin with 23 percent of precincts reporting.

Well after midnight, there was no shortage of close statehouse races:

— John Engler was battling Democratic Gov. James Blanchard in Michigan.

— GOP Gov. McKernan clung to a lead over former Gov. Joseph Brennan in Maine.

— Democrat Rudy Perpich trailed Arne Carlson in a tough Minnesota race marked by Republican turmoil. Carlson was on the ballot only because Jon Grunseth dropped out in late October over allegations of sexual improprieties.

Helms bested Harvey Gantt in his marquee race for re-election in a contest that pitted one of the nation's best known conservatives against a former black mayor. "I'm sorry I'm so late," he told supporters, "but I've been home watching the grieving face of Dan Rather ... the liberal politicians and editors and commentators and columnists have struck out again."



Associated Press Loserphoto

Sen. Jesse Helms celebrates in Raleigh, N.C., after turning back challenge of black Democrat Harvey Gantt for 4th term.

Appointed Democratic Sen. Dan Akaka won re-election in Hawaii, dashing the Republicans only serious hope for a Senate takeover.

Three GOP representatives were elected to open Republican senate seats: Bob Smith in New Hampshire, Hank Brown in Colorado and Larry Craig in Idaho.

Alabama GOP Gov. Guy Hunt won a close race for re-election.

More than 6,100 legislative races crowded the ballots, and voters in 43 states and the District of Columbia decided ballot issues. Massachusetts rejected a proposed tax rollback.

New York Gov. Mario Cuomo won in a possible prelude to a 1992 Democratic presidential campaign. Besides Bill Bradley, two other potential challengers to President Bush won easy Senate re-election — Al Gore in Tennessee, Sam Nunn in Georgia.

Bush voted in his home state of Texas after an energetic yet awkward campaign for GOP candidates, then returned to the White House to read the returns. Bush sparked a Republican rebellion when he broke his memorable 1988 campaign pledge and embraced an October deficit-reduction plan that raised tax rates.

In Florida, Chiles won handily over first-term Republican Gov. Bob Martinez.

Democrat David Walters grabbed the open Republican governorship in Oklahoma. Bruce Sundlun wrested the governorship from Republicans in hard-times Rhode Island, ousting Edward DiPrete. Former Gov. Bruce King's successful comeback returned New Mexico to the Democratic column, and Juan Finney ousted GOP Gov. Mike Hayden in Kansas.

Among the Democratic incumbents, Ned McWherter won in Tennessee, Robert Casey in Pennsylvania, William Clinton in Arkansas, Roy Romer in Colorado and William Donald Schaefer in Maryland. Zell Miller was elected governor of Georgia after four terms as Democratic lieutenant governor. Wyoming's Mike Sullivan won a new term.

Liberty Treaty Hinges on Russian Republic



By Thomas Ginsberg
Associated Press Writer

MOSCOW — A Kremlin official on Tuesday outlined a new union treaty that would guarantee civil liberties and republics' right to secede, but he conceded the plan would fail without the agreement of the Russian republic.

"If Russia does not sign it, we'll have to be realistic. We would not be able to talk about any union," said Grigory Revenko, a member of President Mikhail Gorbachev's Presidential Council, a high-level advisory body.

the Soviet president who approached Yeltsin to shake his hand after a holiday ceremony in the Kremlin's Palace of Congresses.

"We just agreed with Gorbachev to meet on the 11th one-on-one," Yeltsin said. "There will be very many issues and it will be an important meeting," he said, declining to elaborate.

The meeting will be the first between the rival politicians since their attempt at reconciliation over economic reform broke down in late summer. The rift put Yeltsin's Russian Federation, the Soviet Union's largest republic, on a collision

Spotlight



G. Gordon Liddy



George McGovern



Jeb Stuart Magruder

G. Gordon Liddy, Watergate burglar and former FBI agent, says his transformation from convict to novelist is not surprising because prison gave him what he needed to write.

"The thing you need to write is time — I had lots of it," Liddy, 60, said during a visit to Anchorage, Alaska, to plug his newest book, "The Monkey Handlers."

The novel, published by St. Martin's Press, focuses on the efforts of a former Navy Seal to stop medical experiments on animals at a chemical plant on the Hudson River.

It is Liddy's third book and second novel.

Liddy served time in nine prisons after being convicted of participating in the 1972 burglary of the Democratic Party's Watergate headquarters.

★ ★ ★ ★

George McGovern, former senator and presidential candidate, and his partners in a Stratford, Conn., hotel have filed a Chapter 11 bankruptcy petition to avoid eviction.

McGovern and his partners in the Stratford Inn have filed the petition in U.S. Bankruptcy Court in Bridgeport.

"It was done to buy enough time to reorganize," said Richard D. Zeisler, an attorney for the partnership.

Stratford Inn Associates Limited Partnership, whose president is McGovern, was delinquent in paying the hotel's landlord, Goldman D. Lorenzo.

McGovern, a former senator from South Dakota, was defeated by President Nixon in the 1972 presidential race.

★ ★ ★ ★

The Rev. Jeb Stuart Magruder delivered his first sermon as pastor of the First Presbyterian Church of Lexington, Ky., on Sunday. More than 400 people crowded into the pews to hear the former aide to Richard Nixon and one of the Watergate conspirators.

Magruder, 55, said that if "people came because of Watergate, that's great." He said he hoped the crowd would benefit from his words.

During his 25-minute sermon Sunday, the new senior minister at First Presbyterian talked briefly about Watergate and the painful process of searching for himself.

He came to the $77,000-a-year job in Lexington from Columbus, Ohio, where he had been executive minister at the First Community Church.

He pleaded guilty in 1973 to conspiracy and perjury charges stemming from the break-in at offices of the Democratic Party at the Watergate complex in Washington, D.C. He entered a Presbyterian seminary after serving seven months in a prison.

★ ★ ★ ★

Rock Hudson's insurance company was absolved of any liability in a $14.5 million judgment awarded by a jury to the late actor's lover, a lawyer said in Los Angeles Tuesday.

U.S. District Court Judge A. Wallace Tashima, in issuing his ruling Monday, found that, because Hudson never told Marc Christian that he had AIDS, the actor's insurance coverage does not apply.

As a result, Aetna Casualty & Surety Co. will have to pay no part of the award.

Aetna also will not be responsible for the legal costs of the ongoing appeal of the February 1989 verdict against Hudson's estate, Aetna attorney Michael Leahy said.

In his ruling, Tashima said the insurance company was not liable for Hudson's behavior because the actor "willfully" engaged in "high risk" sex with Christian.

"Hudson was aware that he had AIDS and intentionally misrepresented his condition to Christian," Tashima said in his ruling.

"Assuming these facts to be true, a reasonable person in Hudson's position must have expected that Christian would suffer either bodily injury or emotional distress as a result of Hudson's action," Tashima said.

Christian sued Hudson's estate after the actor's AIDS-related death in [illegible] claiming the actor lied to him by never telling him he had

of the most Republican in the ion since created in 1982. And the mocrat won handily, with some ng around 57 percent of the vote

campaign. He said he [illegible] have anything to do with it, [illegible] apologized the day before the [illegible]

But he said other articles that questioned his own business prac-

See A-4, Column 1

sh Food-Tax Proposal; Calls Defeat 'Prudent'

More Utah Voting: B-1,4

[illegible] said Michael Leavitt, a member of the State Board of Regents, governing body of [illegible] supported colleges and [illegible]

We don't view it as a [illegible]

[illegible] Mr. Leavitt added. We've overcome an obstacle, but the board still faces substantial challenges and we have a heavy task during the next [illegible] We must accommodate more than 20,000 new students.

[illegible] the backers of the initiative said they felt the cause was rejected because government officials misled [illegible] with new taxes.

[illegible] unfortunate that the

See A-4, Column 4



James Bradley
Lands Spot on Commission



Randy Horiuchi
Gains Narrow Victory

By Dan Harris
Tribune Staff Writer

Salt Lake County voters swept out both incumbent Republican commissioners up for re-election Tuesday, replacing Bart Barker and Tom Shimizu with Democrats Jim Bradley and Randy Horiuchi.

The upheaval marked the first time in a decade any incumbent Salt Lake commissioner has failed in a re-election bid and ended 10 years of GOP control of the commission.

Mr. Bradley crushed 10-year veteran Mr. Barker by about 20 percentage points, while Mr. Horiuchi squeaked by with about a 2-point edge with 96 percent of the vote counted.

Democrats [illegible] peared to be holding their own in other county races, with three incumbents leading GOP challengers. Attorney David Yocom, Treasurer Art Monson and Surveyor Carl Larsen were victorious in re-election bids.

But 12-year Sheriff Pete Hayward lost to Republican Aaron Kennard, a Salt Lake City Police captain.

Three of the four Republican incumbents in non-commission races appeared headed for re-election. Assessor Robert Yates and Auditor Craig Sorensen were four points and five points, respectively, ahead of Democrats Kyle Kopitke and Harold Black. Clerk Dixon Hindley was behind Democrat Sherrie Swensen, while GOP Recorder Katie Dixon enjoyed a comfortable lead over Richard Miller.

The last time an incumbent Salt Lake County commissioner was turned out of office was in 1980 when Robert Salter and William Hutchinson were denied renomination in the Republican county convention. Mr. Barker finished second in delegate voting in that upheaval, then went on to win the GOP primary and the general election.

Mr. Bradley, a former state Energy Office director who lost a close race to Commissioner Mike Stewart in 1988, admitted the "throw the incumbents out" mood was in force, bolstered by dissatisfaction with specific issues.

"I think the Salt Palace was probably [Mr. Barker's] Achilles heel. But I think he was wounded on many issues," including rejecting a Mill Creek Canyon entrance fee and failure to address long-term jail overcrowding.

Mr. Bradley promised all those issues would be "revisited" once he assumes office.

Mr. Shimizu's 7-year stint on the commission was ended by Mr. Horiuchi, a former two-term Utah Democratic Party chairman.

In other county races, Sheriff Hay-

See A-4, Column 4

Happy Days Here Again for Demos in U.S.



[illegible] Associated Press Photo

[illegible]mocrat Lawton Chiles, a former senator, exults after glid[illegible] to victory over incumbent Florida [illegible] Bob Martinez.

By David Espo
AP Political Writer

Democrats wrested governorships from the GOP in Texas, Florida and four other states on Tuesday in midterm elections that concluded a season of Republican disappointment. Democrats also expanded their dominion of Congress in returns that heavily favored the incumbents.

North Carolina GOP Sen. Jesse Helms won re-election over Harvey Gantt in the most closely watched Senate race of 34 on the ballot.

Democrats elected Ann Richards as governor of Texas and Lawton Chiles in Florida, giving them the last word in redistricting that will add House seats to both Sun Belt states for the next decade.

Republican Pete Wilson led Dianne Feinstein in California, and the GOP looked at him to keep the statehouse from the Democrats.

"I'm sorry I let you down," said Clayton Williams in his Texas concession speech. His defeat punctuated a painful autumn for President Bush, who spent the final week of the campaign in the Lone Star State.

The polls were still open in half the nation when the Democrats proclaimed victory and pointed the voters toward the 1992 presidential race. "I couldn't feel better," said Ron Brown, chairman of the Democratic National Committee.

Charles Black spoke for the Republican National Committee, telling reporters, "It appears to be more of an anti-incumbent trend than a partisan trend." He called the midterm results "an anti-Congress trend rather than an anti-president trend," even though incumbent members were being re-elected at a substantial rate.

All in all, the first election of the 1990s came at a time of extraordinary volatility — with the nation on the verge of recession and on the edge of war in the Persian Gulf.

But if voters felt any discontent, it made scant difference in the Senate, where at least 30 out of 31 incumbents were being re-elected. The lone endangered senator was Rudy Boschwitz of Minnesota, who said he sipped some brandy and then was going to bed without knowing his fate.

A victory by Paul Wellstone would pad the Democrats' current 55-45 majority.

House upsets were few and far between, but Wisconsin's Democratic Rep. Robert Kastenmeier fell after 18 liberal terms in the House. Republican Whip Newt Gingrich was in a shocker, barely winning a 50-50 Georgia race.

Democrats renewed control over the House and aimed to improve their 259-176 majority, and undecided races suggested a trend of 267-167.

In Connecticut, Gary Franks became the first black House Republican since 1935.

Democratic Sen. Bill Bradley survived a close call, winning re-election with 52 percent of the vote against a little-known opponent who campaigned against tax increases engineered by a Democratic governor.

Mark Hatfield won a fifth term from Oregon in a close Senate race.

The GOP got good news in Ohio, where George Voinovich won a Democratic governorship, and in Massachusetts, where William Weld will succeed Michael Dukakis. Jim Edgar kept the Illinois statehouse in Republican hands, and John McKernan

See A-2, Column 1

China Won't Block Use of Force in Gulf, Says Official

[illegible]

[illegible] Associated Press Writer

[illegible] this month and [illegible] wants to use the op[illegible] seeks passage of a use-of-[illegible] to increase pressure [illegible] to withdraw its troops from [illegible]

[illegible] of the five permanent members of the Security Council, [illegible] has veto power over U.N. res[illegible] China has backed the U.S. [illegible] all 10 resolutions condemning Iraq thus far, but it has spoken out forcefully against using force to settle the Persian Gulf crisis.

On Tuesday, however, Qian hinted at some flexibility on the issue when reporters asked him if his government was willing to consider a use-of-force resolution.

"I think all resolutions adopted by the United Nations are intended to increase the pressure on Iraq so as to achieve a peaceful settlement," he said.

But Qian added cryptically, "We will have to wait and see" if a resolution authorizing force would step up pressure for a peaceful settlement "because all of the armed forces have two roles to play. One is to fight a war, the other is to seek peace."

"Do you agree with me?" he asked, turning to Baker.

"I do, indeed," Baker replied.

Baker came away from the meeting encouraged that China, while not likely to support the resolution, would not try to block it, according to aides. "He [Qian] didn't rule it out did he?" said one Baker aide, who asked not to be identified.

While Baker pressed U.S. allies about their willingness to go to war, Iraq Tuesday promised to free 108 hostages, none of them American, and insisted anew its foreign "guests" are well-treated.

In the latest hostage releases, Iraq's official news agency said 77 Japanese nationals would be freed in response to an appeal from former Japanese Prime Minister Yasuhiro Nakasone. It also said 20 Italians, five Swedes, two Germans, two Portuguese and two Australians would be allowed to leave.

It did not say when the captives would be freed, but some had already begun to assemble at a Bagh-

See A-2, Column 1

Today's Chuckle

[illegible] Rather, someone who carries pic[illegible] in his wallet where money used [illegible]

Inside The Tribune

Tribune Telephone Numbers on A-3

Asimov Quiz	D-5
Business	B-5-8
Classified	D-6-14
Comics	B-2,3
Crossword	D-6
Editorials	A-16
Elections	A-2,4-9; B-1,4
Entertainment	A-15
Food/Lifestyle	E-1-7
Foreign	A-2,13,14
Intermountain	A-3,12
Jumble	D-6
Local	B-1,4; D-5
National	A-2-4
Obituaries	D-5
Public Forum	A-17
Sports	D-1-4
Star Gazer	B-3
Television	E-8
Washington	A-2-4

Today's Forecast

Salt Lake City and vicinity — Fair and continued mild. Highs, upper 40s. Lows, upper 20s. Details, B-4.

N000050

N000051

ELECTIONS 1990

U.S. Congress

Continued From A-1

tices hurt him much more.

"Why has that one ad become an issue? I can't believe that. Why instead didn't the media focus on the 15 articles that ran in papers all over the state calling me a liar and a cheat?" he asked. "And those articles were never questioned by anybody. Why didn't the media question where those came from instead of spending so much time on that one ad?"

The real reason behind the loss, said Mr. Snow, was a split in the Republican party.

"I was a little surprised at the split between the ultra-right and the rest of the party," he said. "There was a backlash against incumbency and for some reason I think I was viewed to be an incumbent."

The contest was to replace retiring four-term GOP Congressman Howard Nielson, who, just election day, learned he's headed to a Mormon mission in Australia next year. Mr. Snow couldn't hold the seat in the GOP column even with a personal appearance from Vice President Dan Quayle, and out-spending the Democrat by a 3-to-1 margin.

Congressman Owens wiped out former state legislator Genevieve Atwood in the 2nd Congressional District by a wider percentage margin than his last two congressional foes while defending his deficit reduction vote and deflecting anti-incumbent grousing that appeared so prevalent. He registered a shade below 60 percent.

"It's very gratifying to feel, in essence, trusted. That's what I asked Salt Lake County to do," Rep. Owens said.

The congressman was more surprised by the win for his new colleague in Washington — Mr. Orton. "That's the real news," Rep. Owens said. "I'm an incumbent. Here's a fellow who comes up out of nowhere. It'll be fun to have someone to caucus with."

Ms. Atwood commented, "I really don't know what happened and I can't wait to find out," she said. "I don't think anyone saw this [swing toward Democrats] coming in terms of what's going on all over the state."

During the primaries and her surprise victory over Dan Marriott, she said she felt things "really get" but "this one really didn't come together."

She admitted she was disappointed that Mr. Marriott wasn't more outspoken in rounding up Republican support for her.

Congressman Hansen said the election "just goes to show that the people of this state can speak out if they want to and throw us all out." He suggested the election was closer than expected because of the swelling antagonism many voters are feeling toward incumbents, with people tending to blame the GOP more.

"I feel real fortunate not to be getting caught up in this Democratic sweep we seem to have going on in the state," he said. "I'm absolutely astounded at what's happening in Utah County. I absolutely can't believe it."

"But now we've got a chance to re-energize the Republican Party in anticipation of the next election which will include the presidential election. We've got to get the party together and I think we can do that," said the congressman, who is now in a position to ponder a 1992 bid for governor or U.S. senator should GOP incumbents step down.

Ms. Atwood, who resigned late last year as the nation's first woman state geologist, was the first Republican woman nominee running for Congress in Utah since 1950. That year Republican Ivy Baker Priest, subsequently appointed U.S. treasurer in the Eisenhower administration, ran in Utah's 2nd District.

State Senate



Ms. Shepherd
Sen. District 1



Mr. Steiner
Sen. District 3



Mr. Howell
Sen. District 4



Mr. Ockey
Sen. District 7



Mrs. Baird
Sen. District 9



Mr. Christensen
Sen. District 10



Mr. Fordham
Sen. District 11



Ms. Peterson
Sen. District 12



Mr. Mantes
Sen. District 13



Mr. McAllister
Sen. District 15



Mr. Richards
Sen. District 18



Mr. Barlow
Sen. District 22

Salt Lake County Democrats Robert B. "Bob" Steiner, Scott Newell Howell and Millie M. Peterson were on their way to apparent upset victories late Tuesday against three veteran incumbent state senators.

Vote totals were slow in coming for many of the races, but trends were forming by press time.

Based on incomplete returns, Mr. Steiner ousted Sen. Richard J. Carling, R-Salt Lake City, in Senate District 3, and Mr. Howell defeated Sen. Richard B. Tempest, R-Salt Lake City, in District 4.

Ms. Peterson appeared to be beating Sen. William T. Barton, R-West Valley, in District 12.

Mr. Steiner is vice president of Steiner Corporation/American Linen and is responsible for the firm's foreign division. Mr. Howell, a marketing manager for IBM, has a political science degree from the University of Utah and has been involved in business-oriented youth programs.

Nine other incumbents, including three with no opposition, appeared to be returning to the upper house in a 15-district election that saw the GOP's edge over Democrats reduced by four.

Democratic hopes for a formerly Republican seat dimmed as Holladay resident John Dwan's tenuous lead over Republican opponent Delpha Baird slipped in the early morning edge for the 1991 Legislature. Nineteen Republicans appeared to be populating the Senate, along with 10 Democrats.

Republicans enjoyed a 22-7 margin in the 1990 Legislature.

Also running in the District 3 race against incumbent Carling and apparent winner Steiner was Libertarian Charles G. Pierce, Salt Lake City. No other candidate ran in District 4 against Sen. Tempest or Mr. Howell.

Based on incomplete returns, senatorial incumbents returning to Capitol Hill who faced opposition include:

— 1990 Senate President Arnold Christensen, R-Sandy, who beat Sandy Democrat Dale W. Mitchell and Libertarian Hugh A. Butler, also a Sandy resident, in District 10.

— Sen. Paul D. Fordham, D-Salt Lake City, who held on to the District 11 seat for the Democrats. He beat Republican challenger Joseph Stumph, Salt Lake City.

— Sen. LeRay McCallister, R-Orem, who didn't have a Democrat to run against, but easily beat American Party candidate Will Christensen Sr., Provo, and Independent Ronald Hathcock in District 15.

— Sen. Winn L. Richards, D-Ogden, who fought off Republican Lewis L. Thorpe, South Ogden, in District 18.

— And Sen. [illegible]

Farley, Salt Lake City. Ms. Shepherd defeated a full slate of opponents, including Republican David Fiske, Libertarian Bob Waldorp, American Party candidate Lawrence R. Kauffman and Independent Ryan Randolph.

Ms. Shepherd is a lifelong Democrat. Her political experience goes back to her student days when she worked as a volunteer for the John F. Kennedy campaign. She was an alternate delegate to the 1972 National Democratic Convention and worked on a variety of Utah campaigns, including the late Gov. Scott M. Matheson's successful bid in 1975.

In District 7, Republican Ronald J. Ockey defeated G. Gail Weggeland, a Salt Lake City Democrat, to keep the seat in the Republican column. It was held by retiring Sen. Kay S. Cornaby, R-Salt Lake City.

Mr. Ockey has a long career in Republican Party politics, including service as a legislative district chairman, voting district officer, member of Salt Lake County's GOP advisory board and service as a state and county delegate.

And in District 13, which encompasses parts of Salt Lake, Utah and Tooele counties, George Mantes, Tooele, appeared on his way to re-

Orton Thinks Voters D
After Seeing 'Family' A

A newspaper advertisement depicting 3rd District Democratic congressional candidate Bill Orton as having no family and a lack of personal values "backfired against the Republicans," said Mr. Orton, the unofficial winner of the race.

"People called saying they could not vote Republican after seeing that ad," said Mr. Orton Tuesday night. "I think it was a miscalculation on their part. They thought that would destroy my campaign by alienating me from voters. It didn't work."

Clark Caras, spokesman for Republican challenger Karl Snow, claimed the ad was not a major factor in the race because of the early margin of votes that put Mr. Orton ahead.

"It was obviously a combination of things," said Mr. Caras. "The exit polls showed a lot of John Harmer [Mr. Snow's primary election opponent] people voting for Orton. In addition, we had a lot of party defections on top of a series of negative ads against Mr. Snow."

Mr. Caras said the ad, which stated at the bottom that it was "Paid for by the Utah Republican Party," was actually the effort of a small group of "well-meaning supporters."

"We heard as much positive as negative about the ad," he said.

More than 68,000 copies of the paper with the ad were printed and distributed free to every Utah County household.



Some candidates wan
personal values don t

Most issues facing the
seriously affect our fa

Values D

Vote Re

This advertisement that foc
fended voters," said Bill Or

Food Tax Initiat

Continued From A-1

politics of fairness and reform," said Merrill Cook, leader of the Utah Independent Party who spearheaded the movement to get the initiative on the ballot.

"I think that people originally understood we had a good idea with the food tax cut, but they became worried by statements from the Board of Regents and the Governor's Office."

The initiative enjoyed success in the early polls last spring, with better than a 60 percent approval rate. But it steadily dropped in the polls as government leaders lamented the problems state and local governments would face by losing the revenues.

Mr. Cook and his colleagues countered that the state has more than a $200 million surplus, so it could absorb the loss of revenues without cutting services and without raising other taxes.

"A systematic, well-financed campaign touching upon each element of fear within the community obviously had a significant political impact," said Patrick Shea, Democratic National Committeeman for Utah.

"The rule makers and their rules need to take note that a significant portion of the population do not believe their interests or their taxes are being treated fairly," he said of the more than 40 percent who voted for the initiative.

"We will continue to have the initiative as a tax restructuring tool un-

Salt Lake County R

Continued From A-1

ward lost a fourth term against a spirited challenge by Republican Kennard, who hammered on what he called the incumbent's "dictatorial style."

Mr. Hayward disputed his challenger's claims that morale in the Sheriff's Office was at a low ebb. He said his main initiatives in a new term would be adding 15-19 new patrol deputies to the force and beginning plans for a new maximum security jail.

County Attorney David Yocom, a Democrat, was on the path to victory in his quest for a second term over low-profile challenger Mark Anderson. Mr. Anderson, a former John Birch Society member, had offered himself as the candidate to bring a "high moral tone" to the office.



Mr. Yocom
County Attorney



Mr. Yates
County Assessor





CTIONS 1990

es to show that the
ite can speak out if
! throw us all out."
election was closer
cause of the swell-
any voters are feel-
ibents, with people
the GOP more.
unate not to be get-
in this Democratic
o have going on in
id. "I'm absolutely
iat's happening in
ibsolutely can't be-

: got a chance to re-
ublican Party in an-
next election which
residential election.
the party together
n do that," said the
o is now in a posi-
1992 bid for gover-
tor should GOP in-
wn.
10 resigned late last
's first woman state
e first Republican
running for Con-
ce 1950. That year
aker Priest, subse-
d U.S. treasurer in
administration, ran
trict.



Mr. Christensen
Sen. District 10



Orton Thinks Voters Deserted Snow After Seeing 'Family' Ad in Paper

A newspaper advertisement depicting 3rd District Democratic congressional candidate Bill Orton as having no family and a lack of personal values "backfired against the Republicans," said Mr. Orton, the unofficial winner of the race.

"People called saying they could not vote Republican after seeing that ad," said Mr. Orton Tuesday night. "I think it was a miscalculation on their part. They thought that would destroy my campaign by alienating me from voters. It didn't work."

Clark Caras, spokesman for Republican challenger Karl Snow, claimed the ad was not a major factor in the race because of the early margin of votes that put Mr. Orton ahead.

"It was obviously a combination of things," said Mr. Caras. "The exit polls showed a lot of John Harmer [Mr. Snow's primary election opponent] people voting for Orton. In addition, we had a lot of party defections on top of a series of negative ads against Mr. Snow."

Mr. Caras said the ad, which stated at the bottom that it was "Paid for by the Utah Republican Party," was actually the effort of a small group of "well-meaning supporters."

"We heard as much positive as negative about the ad," he said.

More than 68,000 copies of the paper with the ad were printed and distributed free to every Utah County household.



Karl Snow and his family



Bill Orton and his family

Some candidates want you to believe that their personal values don t matter.

Most issues facing the United States Congress seriously affect our families.

Values Do Matter!

Vote Republican

This advertisement that focused on his marital status "offended voters," said Bill Orton after his stunning victory.

Food Tax Initiative

Continued From A-1

politics of fear won over the politics of fairness and reform," said Merrill Cook, leader of the Utah Independent Party who spearheaded the movement to get the initiative on the ballot.

"I think that people originally understood we had a good idea with the food tax cut, but they became worried by statements from the Board of Regents and the Governor's Office."

The initiative enjoyed success in the early polls last spring, with [illegible]

Mr. Cook and his colleagues countered that the state has more than a $200 million surplus, so it could absorb the loss of revenues without cutting services and without raising other taxes.

"A systematic, well-financed campaign touching upon each element of fear within the community obviously had a significant political impact," said Patrick Shea, Democratic National Committeeman for Utah.

"The rule makers and their rules need to take note that a significant

less the Republican monolith properly changes the tax policies," Mr. Shea said.

The Democrats and Independents, who formed an unusual coalition to battle the Republican government leaders on the food tax issue, denounced the tax as immoral and unfair because it placed the heaviest burden on the poor.

House Majority Leader Craig Moody, R-Sandy, who joined the other Republican leaders in opposing the initiative, noted that he has a bill

N0000052

9/0438306 0

ES00000N

DESERET NEWS

141ST YEAR — No. 145 SALT LAKE CITY, UTAH WEDNESDAY, NOVEMBER 7, 1990

Utah loses its long-held claim to title of most Republican state

■ Surprise: 3rd District, S.L. County Commission fall to Democrats in what pollster calls 'bizarre' elections

Let's face it, if we lose that race (Utah's 3rd Congressional District), we might as well shut off the lights here and go home. This is a slam dunk won for us" — a statement by Gary Maloney, director of strategy and research for the Republican National Congressional Committee, that now falls into the "most famous last words" category.

By Bob Bernick Jr.
Deseret News public affairs editor

CAMPAIGN '90

Utah was considered the most Republican state in the nation. Note the word was. If Tuesday didn't have voters looking to the Democratic Party for some answers, there's little to be learned from the 1990 election.

But first some questions. How did Republican Karl Snow lose the 3rd District? How did Democrat Kenley Brunsdale get so close to Jim Hansen in the 1st District? Where were the Republicans who were supposed to vote for Genevieve Atwood and unseat incumbent Democrat Wayne Owens in the 2nd District?

What happened? A whole lot of Republicans voted for a Democrat, that's what.

Deseret News/KSL-TV pollster Dan Jones said the election was the "most bizarre I've seen in 20 years. I've never seen so many Republicans voting for Democrats, especially in the 3rd District."



PHOTOGRAPHY: GARRY BRYANT

Republican Jim Hansen retains his seat in Utah's 1st District, but the race was closer than expected.

campaign. Monday, Horiuchi and Bradley will rule the commission and Republican Mike Stewart will be in the minority.

Hey, Davis County voters even elected Democrat Dell Holbrook to the County Commission. A Democrat in the Davis County Commission? No one can even remember the last time a Democrat served there.

In a debate that started loud but ended with a whimper, Utahns soundly rejected the initiative to remove the sales tax from food. Merrill Cook's Independent Party gathered the voter signatures to place the measure on the ballot, but Cook purposely ran a low-key campaign. Even though the Democratic Party backed the measure, it

Please see ELECTION on A2



PHOTOGRAPHY: STUART W. JOHNSON

Democrat Bill Orton gets a hug from his mother, Caroll. Orton won the congressional race in Utah's 3rd District, which is 3-1 Republican.

Election results

U.S. CONGRESS

1st District	
Jim Hansen (R)	82,296
Kenley Brunsdale (D)	69,219
2nd District	
Wayne Owens (D)	85,060
Genevieve Atwood (R)	58,830
3rd District	
Bill Orton (D)	78,431
Karl Snow (R)	50,090

FOOD SALES TAX

Remove sales tax on food

NO	194,184
YES	244,593

UTAH COUNTY

Commission seat A	
Malcolm Beck (R)	28,440
Wayne L. Hill (I)	20,015
Commission seat B	
Richard A. Johnson (R)	29,612
Marie F. Van Wagenen (D)	22,869
Commission seat C	
Gary D. Herbert (R)	32,620
George F. Tripp (D)	19,041

SALT LAKE COUNTY

Commission seat A	
Jim Bradley (D)	104,825
Bart Barker (R)	72,702
Commission seat B	
Brandy Horiuchi (D)	90,071
M. Tom Shimizu (R)	89,081



Where to find other election results:

NATIONAL

- Environmental and tax-cutting measures fail in California, Washington, Oregon, Missouri, New York, Massachusetts, Nebraska and Colorado. A4
- Jesse Jackson coasts to victory as one of two 'shadow senators' from the District of Columbia. A4
- Democrats win governors races in Texas and Florida, but GOP wins the big prize — California. A5

Republicans picked up some statehouses of their own, electing governors in Ohio, where George Voinovich defeated Anthony Celebrezze, in Massachusetts, where William Weld edged out conservative Democrat John Silber; and Vermont, where ex-governor Richard Snelling reclaimed his old job, defeating Peter Welch.

But Democratic gains were far more widespread. Joan Finney rode voter anger against GOP Gov. Mike Hayden to victory in Kansas, and businessman Bruce Sundlun unseated Republican Gov. Edward DiPrete in Rhode Island on his third try. Democrats won formerly Republican statehouses in Oklahoma and New Mexico.

Former Republican Sen. Lowell Weicker, always a maverick, was elected governor of Connecticut as an independent. In Alaska, former GOP Governor Walter Hickel was running as an independent and leading two opponents for the governorship.

The Democratic-dominated Senate emerged unscathed. Challenges once thought formidable were swept aside by well-financed incumbents.

UPI photo

Joined by Henry Cisneros, former mayor of San Antonio, is State Treasurer Ann Richards, the new governor of Texas.

But the night had its terrifying moments for Sen. Bill Bradley, D-N.J., whose anticipated easy ride to a third term ended up a cliffhanger before he outlasted rookie Republican Christine Todd Whitman. She capitalized on virulent anti-tax sentiment.

Generally, it was not a good night for Democrats with presidential ambitions.

Along with Bradley's scare, Gov. Mario Cuomo of New York received a disappointing 53 percent of the vote against a blundering Republican and a little-known Conservative who were never seen as more than fighting for second place.

Two other would-be presidents, Democratic Sens. Albert Gore Jr. of Tennessee and Joseph Biden of Delaware, rolled over token opposition. Sen. Sam Nunn of Georgia was re-elected without opposition.

Winning more easily than expected were Republican Sens. Jesse Helms of North Carolina, Mark Hatfield of Oregon, Mitch McConnell of Kentucky, Democrats Daniel Akaka of Hawaii, Paul Simon of Illinois, Claiborne Pell of Rhode Island, James Exon of Nebraska, Carl Levin of Michigan and John Kerry of Massachusetts.

In Minnesota, Boschwitz spent more than $7 million, more than seven times Wellstone's budget.

House GOP whip Newt Gingrich also had a scare. The outspoken Georgia conservative, who abandoned Bush when the president was seeking support for a budget compromise that increased taxes, narrowly edged Democrat David Worley.

"If the election for president were tonight, George Bush would lose," proclaimed Democratic Party Chairman Ronald H. Brown. "More than anything else this election has been a vote of no confidence" in Bush.

"This is not a referendum on George Bush," countered GOP strategist Edward J. Rollins. "He runs for

was the loss in his adopted home state of Texas, where millionaire oilman Clayton Williams lost the governorship after spending $8 million of his own money. Florida's results also hurt Bush, who campaigned three times for Gov. Bob Martinez to no avail.

Offering the Republican view of the outcome was Charles Black, filling in for ailing GOP National Chairman Lee Atwater. Black called the results "an anti-Congress trend rather than an anti-president trend."

In all, eight states will gain and 13 will lose seats when House districts are reapportioned to reflect population shifts enumerated in the 1990 Census. Democrats will control the process outright — holding the governor's office and both legislative chambers — in at least five of the states gaining House seats.

The biggest winner will be California, gaining seven House seats. Florida will pick up four and Texas three.

The only state where the GOP gained a redistricting monopoly was Vermont, where it won't matter. Vermont has only one House seat and that seat was captured by Sanders, who defeated Republican congressman Peter Smith.

Surprisingly wide, plunge in Bush's popularity spur on would-be candidates.

By Steve Gerstel

WASHINGTON (UPI) — Top Democrats moved into position for potential runs at the 1992 Democratic presidential nomination Tuesday with runaway wins, but the hopes of Sen. Bill Bradley, D-N.J., may have been undercut by his struggle against a Republican sacrificial lamb.

Even a few months ago, the prospect of running against President Bush scared off the Democrats' big-name candidates, who were waiting for the perfect moment to get into presidential politics.

All of the talk centered on fielding a token candidate, perhaps the 1988 vice presidential candidate, Sen. Lloyd Bentsen of Texas, and holding back their strongest challengers for 1996.

But that attitude changed in the weeks before the election when Bush's sky-high popularity plummeted dramatically when he deserted his "no tax" pledge, the economy went into a tailspin and he confounded voters with his almost daily shuffling of campaign themes.

would be surprising if some of them do not gear up, and rather quickly, their presidential campaigns.

At this stage of the election process four years ago, Rep. Richard Gephardt of Missouri was commuting to early caucus and primary states and former Arizona Gov. Bruce Babbitt had taken up residence in Iowa.

The one Democrat frequently mentioned as a presidential candidate who was badly hurt in Tuesday's election was Bradley, a Rhodes scholar and former pro basketball player.

Bradley, the prohibitive favorite, barely won a third term against Christine Todd Whitman, a Republican sacrificial offering. Bradley raised $12 million and spent $10.5 million on his campaign. Whitman scrounged up $600,000.

But Bradley became the unwitting victim of a backlash against the $2.8 billion tax raise imposed by New Jersey Gov. James Florio, a fellow Democrat.

A CBS exit poll showed that New Jersey voters by 48-41 did not think that Bradley would make a good president.

The other Democrats frequently mentioned as possible 1992 presidential candidates fared far better and showed once more their vote-getting clout.

Sen. Sam Nunn, D-Ga., the chairman of the Senate Armed Services Committee, was so strong the Republicans did not even field a candidate.

New York Gov. Mario Cuomo, the candidate most party leaders would like to see run, won against two opponents, but by a surprisingly small margin, probably the result of the state's financial problems.

Sen. Albert Gore of Tennessee, who lost in 1988, and Sen. Joseph Biden of Delaware, who had to pull out of the race two years ago after acknowledging plagiarizing a speech, won re-election easily.

And Jesse Jackson, who won numerous primaries in 1988 before losing the presidential nomination to Massachusetts Gov. Michael Dukakis, was elected "shadow senator" for the District of Columbia, the first office for which he has been elected.

Gephardt also was an easy winner but promised not to run in 1992 when he was elected House Democratic leader.

The elections did not produce a new shining star for the Democrats, but not all the possible presidential contenders were up for election Tuesday.

Senate Democratic leader George Mitchell, Sen. Bob Kerrey of Nebraska, Sen. Chuck Robb of Virginia and Gov. Douglas Wilder of Virginia also could run.

Bush's popularity would have to plunge much deeper and the nation would have to move deeper into a recession before the Republicans would deny him a second nomination.

ELECTION

Continued from A1

failed at the polls.

While Democrats celebrated some fine victories, Republicans were taking stock, planning regrouping strategy in Salt Lake County and the 3rd District.

Even with the Democratic gains in federal and county offices, politics at the state level won't change much. GOP Gov. Norm Bangerter has two more years in his second term, and he still has Republican majorities in the Utah House and Senate.

Democrats made gains in both the House and Senate, but not enough to change power. Republicans lost three seats in the Senate — Richard Carling, Richard Tempest and Bill Barton, all Salt Lake County senators, lost to Democrats Bob Steiner, Scott Howell and Millie Peterson, respectively. Two newcomer Democrats — Karen Shepherd and George Mantes — held on to traditional Democratic seats. The Democratic three-seat gain won't hurt Republicans much, however. The GOP 22-7 margin just drops to 19-10.

Democrats made a net four-seat gain in the House, picking up six Republican seats but losing two Democratic seats. Democrats needed 11 additional seats to win control of the body, so the Republican caucus still will rule.

Sometime in spring 1991, Bangerter and his Republican colleagues will redraw state legislative and congressional boundaries. Owens, Orton and Hansen will have different districts in 1992. Democratic state legislators may find their victories Tuesday much more difficult to repeat in two years.



PHOTOGRAPHY / GARRY BRYANT

Republicans Gov. Bangerter, Rep. Hansen, Sens. Hatch and Garn, and Colleen Bangerter watch as Democrats gain.

But that is far away. Wednesday, Democrats were whooping it up and Republicans were practicing some very heavy damage control.

"I'll welcome Bill Orton with open arms in Congress, as long as he votes as conservative as he talks," said Sen. Orrin Hatch, R-Utah. "Hey, I wish he'd become a Republican."

"Utahns saw what Republican campaign overkill can mean," said Pat Shea, former state Democratic chairman, referring to negative campaigning in the 3rd District that culminated Sunday with a newspaper advertisement taken out by Snow supporters criticizing Orton for not being married. "The voters in the 1st, 2nd and 3rd Districts recognized some very coarse, negative campaigning, they were frightened by the consequences of one-party arrogance and realized they could change it by voting for Democrats."

Utah is still a Republican state after Tuesday. It just isn't as Republican. Said a subdued Snelgrove: "The two-party system is alive and well in Utah. What else can I say?"

N000054

r Plans
ıxiway
l Committee
tation Com-
ılans to con-
r Valley Air-

t to build a
parallel to
ınway is ex-
rt operation

ıp eliminate
caused by
the runway
und safety,"
OT director

tion project
ederal Avi-
Heber City
ision of the
nsportation

9704383062

Panel, Pons Meet as Cold-Fusion Review Heats Up

By Tim Fitzpatrick
Tribune Staff Writer

Four scientists met with University of Utah researchers, including Stanley Pons, Wednesday in a review that will likely decide the fate of the university's National Cold Fusion Institute.

The scientists, three Americans and one Canadian, met briefly with reporters before spending an all-day, closed-door session at the Research Park institute. They are expected to issue their report by mid-December.

"I think we'll do the best we possibly can," said Dale F. Stein, a materials scientist and president of Michigan Technological University. He described the review as a "technical evaluation" that would not attempt to address the stigma of shabby science that has dogged cold fusion. "It really has nothing to do with integrity; we assume integrity in people," he said.

Dr. Pons, back in Utah from what was reportedly a trip overseas, declined to talk to reporters before the review began. He did say he would be at the Capitol Thursday for a meeting of the state Fusion/Energy Advisory Council.

"Now that I've been notified, I'll be there," he said.

Council members two weeks ago criticized Dr. Pons and his British colleague Martin Fleischmann for failing to show at their meeting. The scientists maintain they were never told to be there, but institute director Fritz Will has disputed that. Dr. Fleischmann is at his home in Tisbury, England, undergoing treatment for an undisclosed medical condition.

Karen Morse, Utah State University Provost and fusion council member who said the council had "coddled" the two chemists, was among the scientists sitting in on Wednesday's review.

The review is considered by Dr. Will and others to be crucial to the future credibility of the institute. After the initial $5 million investment by the Utah State Legislature, the institute has raised less than $100,000 in outside funding, and the remaining $1.3 million in state funds will be spent by next June.

The review was prompted by U. College of Science faculty members who were concerned about the scientific integrity of the cold fusion work, particularly that of Drs. Pons and Fleischmann. They have published no papers on their work from the past year despite more than $1 million in funding from the state.

Hugo Rossi, dean of the College of Science, said he met with his physics and chemistry chairs and they were pleased with the review panel. "We feel it's a good group of people with high national standing. We think it will be a careful review."

In addition to Dr. Stein, reviewers are electrochemist Stanley Bruckenstein, A. Conger Goodyear Professor of Chemistry at State University of New York at Buffalo; calorimetrist Loren G. Hepler, professor of chemistry and chemical engineering at the University of Alberta; Dale F. Stein, and Robert Kemp Adair, Sterling Professor of Physics at Yale University.

John Huizenga, professor of nuclear chemistry at the University of Rochester and co-chairman of the Department of Energy's committee on cold fusion, praised the inclusion of Dr. Adair, a member of the National Academy of Sciences and former editor of the prestigious journal, Physical Review Letters.

"He is a high-energy particle physicist, and I think a very competent person," Dr. Huizenga said in a telephone interview. "From his scientific stature I would certainly say that Bob would do a good job."

Dr. Adair said he has followed the cold fusion saga casually in the past. "Since I've been invited to be on the panel, I've paid a little more attention."

Compliments for bringing in Dr. Adair also came from one of his colleagues at Yale, associate professor of physics Moishe Gai, who has been a vocal skeptic of cold fusion.

"I couldn't think of anybody better than Bob Adair to be on that committee," Dr. Gai said in a telephone interview. "From his judgment, his openness to new ideas, he is a true scientist and I think he would do a perfect job."

Dr. Adair is also the author of "The Physics of Baseball". He was appointed "physicist to the National League" by A. Bartlett Giamatti, former Yale president and baseball commissioner who died in 1989.

The visiting scientists were reluctant to discuss specifics of the r

See B-2, Col.

The Salt Lake Tribune **State/Local** Thursday Morning—November 8, 1990
Section B Page 1



Registration to Continue

Maryboy Says Navajos Here to Stay

By Carol Sisco
Tribune Social Issues Writer

MONTICELLO, San Juan County — Utah's Navajos "won't succumb to bigotry" but will be even more determined to gain political power after Tuesday's partial loss, Commissioner Mark Maryboy said Wednesday.

The only Native American winner from the "It's Our Turn" campaign, which saw six Native Americans seeking county office, Mr. Maryboy also was elected Tuesday to the Navajo Tribal Council.

"Four years from now we will have every single Navajo registered to vote," he said. "The registration process will continue, starting tomorrow. We know there are a lot of Navajos still not registered today."

Tuesday's voter turnout was "totally unremarkable," despite predictions of a record turnout and a massive voter registration drive, the attorney general's counsel, John Clark said.

"It was the same in individual precincts as in any other general election," Mr. Clark said.

Sixty-five percent of 7,057 potential voters cast ballots, compared to 67 percent during the last general election, a spokeswoman for the county clerk said Wednesday morn-



N000055

Orton Thinks Voters Deserted Snow After Seeing 'Family' Ad in Paper

A newspaper advertisement depicting 3rd District Democratic congressional candidate Bill Orton as having no family and a lack of personal values "backfired against the Republicans," said Mr. Orton, the unofficial winner of the race.

"People called saying they could not vote Republican after seeing that ad," said Mr. Orton Tuesday night. "I think it was a miscalculation on their part. They thought that would destroy my campaign by alienating me from voters. It didn't work."

Clark Caras, spokesman for Republican challenger Karl Snow, claimed the ad was not a major factor in the race because of the early margin of votes that put Mr. Orton ahead.

"It was obviously a combination of things," said Mr. Caras. "The exit polls showed a lot of John Harmer [Mr. Snow's primary election opponent] people voting for Orton. In addition, we had a lot of party defections on top of a series of negative ads against Mr. Snow."

Mr. Caras said the ad, which stated at the bottom that it was "Paid for by the Utah Republican Party," was actually the effort of a small group of "well-meaning supporters."

"We heard as much positive as negative about the ad," he said.

More than 68,000 copies of the paper with the ad were printed and distributed free to every Utah County household.





Some candidates want you to believe that their personal values don't matter.

Most issues facing the United States Congress seriously affect our families.

Values Do Matter!

Vote Republican

This advertisement that focused on his marital status "offended voters," said Bill Orton after his stunning victory.

...ays AFT Chief

...s, ...n- ho ...n- or he ...ol- ...as ...nt ...se ...tu- ...rn. ...in- ...ire

18- and 19-year-old who may not want to go to college, but have graduated from high school with good grades.

Companies refusing to participate in these "apprenticeship" programs would pay an additional tax to the government.

"Every other industrialized country does that," Mr. Shanker told the audience.

Political tactics are nothing new to Mr. Shanker, who was president of the United Federation of Teachers in New York City, prior to accepting his current post.

...d ...s Panel, Pons Meet; Review of Cold Fusion Heats Up

Continued From B-1

...did ...vajo ...Next ...ates ...more ...nglo ...ous. ...his ...ays. ...s of ...fer- ...ndi- ...be- ...ajos ...ister ...ha- ...peri- ...ast- ...no- ...In- ...liti- ...ere ...tate ...s to ...mb ...sug- ...ven ...are ...rom ...peys ...tor- ...part- ...e no

with reporters, but Dr. Stein minimized the effects that news coverage would have on their effort. "The pressure from the media is not nearly as intense as the pressure we feel from our colleagues who will pass on the merit of what we do."

Dr. Stein was a member of Dr. Huizenga's DOE panel, which recommended against major funding a year ago because, the panel's report said, the data "do not present convincing evidence that useful sources of energy will result."

County Not Paying for Streetlights at Salt Palace

In a reverse twist on the St. George temple lighting case, in which that city illegally paid to light the Mormon Temple, Salt Lake County has apparently neglected its duty to pay bills sent to the LDS Church for streetlights outside the Salt Palace.

Salt Lake City's streetlight assessment was levied against the church because it owns land underlying the Salt Palace. But the lease agreement for the property requires the county to assume responsibility for all such charges.

The county, however, has failed to honor that five-year-old obligation, resulting in a near doubling of the original $1,628.15 bill because of interest and penalities, says the County Attorney's Office.

"It would be my very strong recommendation to you that you process, as soon as possible, the appropriate payment to Salt Lake City for the streetlight assessment in question," Gavin Anderson, deputy county attorney urged in a recent letter to county officials.

Salt Palace Arts & Science Division Director John Rosenthal agrees with that recommendation and is urging commissioners to authorize immediate payment of $2,805.41.

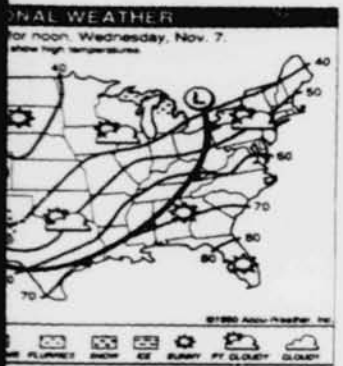
Mr. Anderson in his letter released Tuesday, expressed concern the county would allow the debt to go unpaid for so long.

"It appears clear that the failure to pay the assessment on time, leading to penalties and interest almost equivalent to the original assessment, clearly lies with the county," he wrote. "This is, apparently, based on the county's unwillingness or inability to promptly and correctly respond to assessment notices when first informed thereof by the [Mormon] Church."

...her

...NAL WEATHER

...or noon, Wednesday, Nov. 7.



3 to 5 Day Extended Forecast — A cold upper level low over southern Arizona will

Gorilla-Masked Bandit Robs Store of $400

A man wearing a hairy gorilla mask robbed a Salt Lake City convenience store and made off with about $400, stated a Salt Lake City Police report.

The man flashed a sawed-off shotgun at Quality Gas, 1751 S. 1100 East, about 10 p.m. Monday and demanded the money from a male clerk, the report said.

The suspect then ordered the clerk to lay prone on the floor and escaped on foot. The suspect is described as white, early-20s, 6-foot tall, 150 pounds with a thin build and wearing green army jacket and plaid shirt.

Daggett County Attorney Resigns Post

Continued From B-1

community service, in lieu of the jail term.

"The only place I have for him to do community service would be in Daggett County," through the sheriff's office, he said. "Given the history of this, I didn't think it was appropriate to have Mr. Searle supervised by the sheriff."

The judge also said he could not ignore the fact Mr. Searle had three DUI convictions within eight years, two of which were in 1982.

In addition, "as an elected public official, who has a duty and obligation to enforce the law, he just simply knows better," Judge West said, noting jail term was intended to be punitive.

In a yes-no retention ballot on Tuesday's general election ballot, Daggett County voters rejected Mr. Searle on a 337-85 vote. The only lawyer residing in the sparsely populated northeastern Utah county, Mr. Searle was the only person eligible to run for county attorney.

Daggett County Commissioner Dick Bennett said Mr. Searle recently sent a letter to the commission resigning as the county's prosecutor, effective Wednesday.

GRAND OPENING

NOVEMBER 8-11 1990

Min. 8 Gal. Purchase

FREE

"The Works Car Wash" $5.00 Value

N000056

9704383064

Inside Today:
Commission told county sheriff should continue court security

World
German, Polish leaders meet
Page A5

Sports
Detmer poised to 'pass' McMahon
Page D1

Lifestyle
Fashion show a message of hope
Page D6

Page B1

The Daily Herald

Thursday, November 8, 1990 — Central Utah's Newspaper for 116 Years — Issue No. 100, Provo, Utah — 50 Cents

Orton's win baffles party leaders



Wayne Owens

By PATRICK CHRISTIAN
Herald Staff Writer

Shocked Democratic and Republican Party leaders in Utah were still scratching their heads this morning over Democrat Bill Orton's win Tuesday in Utah's 3rd Congressional District.

For Utah County Democrats, rarely considered a political force, their chairman understood at least the basics of what it means for a Democrat to win the post many call the most Republican district in the nation.

"This has got to be the greatest day in Utah politics for Democrats," Robert Stringham, Utah County Democratic Party chairman, said Tuesday night.

Democrats and Republicans alike realize there's more to Orton's win and Republican Karl Snow's loss than simply a trip to Washington, D.C., to replace retiring Republican Rep. Howard Nielson.

Orton's win means that for the first time since 1974, Utah Democrats have more than one voice in Congress. Democrat Wayne Owens won re-election in the 2nd District.

Orton met with Owens Wednesday at the Democrats' state headquarters in Salt Lake City. The congressman-elect was seeking help from the senior Democrat in order to set up a staff in Washington.

Owens, in response to a question, said Orton's win may be "the beginning of the swing of the pendulum back to the Democratic Party."

Owens also said Orton's win is going to make it considerably more difficult for state Republicans to gerrymander to their advantage as they redraw Utah's three congressional districts.

The redrawing of district lines coincides with the results of the 1990 census. Since the task goes to Utah's Legislature — heavily dominated by Republicans — Democrats had expected the GOP to divide the districts in a manner that may erode Owens' base of support.

But now there's Orton in the 3rd District and that will make it more difficult for Republicans, who now have two Democrat-held congressional districts to contend with.

Owens said one possible redistricting plan would have given him part of Vernal, now in the 3rd Congressional District.

Democratic Party executive director James Robert said that plan would have taken half of Salt Lake County away from Owen's 2nd District and maybe placed that in the 3rd District. But if that happened now, it could strengthen Orton's chances of winning again in 1992.

Whatever Orton's win means, party leaders are still trying to

(See ORTON, Page A2)



Herald Photo/David Hall

Soviets give qualified OK for using force against Iraq

By The Associated Press

Secretary of State James A. Baker III today gained ground in his attempt to win support for a U.N. resolution authorizing military action against Iraq when the Soviet Union gave its qualified approval for using force.



HUD to look at use of fed funds to buy Scera Park

By ROBB HICKEN
Herald Staff Writer

HUD officials are scheduling a review of Orem city's use of federal funds to purchase the Scera Park.

Orem resident Helen Weeks, rep-

N0000057

the U.S.-allied forces on Saudi soil if the Americans attack.

Also today, Iraq's army newspaper and U.S. officials said Saddam Hussein has replaced his military chief of staff with the head of the elite Republican Guards. Western analysts said the move could indicate dissension within the military over Saddam's decision to invade Kuwait and annex it despite condemnation by the West and the deployment of the multinational force.

It was the second replacement of a high-level Iraqi official in two weeks and also pointed to a tightening of Saddam's inner circle.

At the United Nations, diplomats said on Wednesday that the United States has readied a Security Council resolution that would authorize the use of military force to drive Iraq from Kuwait.

If such a measure were adopted, it would be the first time the U.N. authorized a joint military command. During the Korean War, it authorized the United States to command the U.N. forces repelling North Korea's invasion.

The text has not yet been circulated because Baker is trying to line up support for it on a Middle Eastern and European tour, said the diplomats, who spoke on condition of anonymity.

In Moscow, Baker met today with President Mikhail S. Gorbachev and Foreign Minister Eduard A. Shevardnadze. Baker

(See GULF, Page A2)



AP Laserphoto

Secretary of State James Baker (right) smiles at Soviet Foreign Minister Eduard Shevardnadze today in Moscow.

More troops to be sent to gulf

WASHINGTON (AP) — The Bush administration plans to send additional armored divisions to bolster the U.S. forces in the Persian Gulf, a Pentagon source says.

The troops and tanks likely will be transferred from Europe, but some could come from the United States, the official said Wednesday.

The source, who spoke on condition of anonymity, said the decision probably would be announced within a few days.

High Pentagon officials have indicated for some time that additional forces were being considered for the Operation Desert Shield force now totaling 230,000 from the United States and 70,000 for allied countries.

Iraq has deployed more than 400,000 troops in the region.

In late October, Defense Secretary Dick Cheney said up to another 100,000 men and women could be sent to the gulf area. He said at the time the Pentagon had set no upper limit on deployments and that he wanted enough force "to deal with any contingency."

The source who disclosed the decision to send extra troops declined to say how many would go. An armored division has nearly 20,000 troops but can require so many support units that it may account for as many as 40,000 personnel.

The Marines on Tuesday said 824 reservists, including 633 combat specialists, were being activated to become part of a 5th Marine Expeditionary Brigade undergoing desert warfare training in California.

Development that said a review of the purchase was "priority as such reviews are scheduled."

The city agreed earlier this year to pay $488 million in Community Development Block Grant funds over a seven-year period to Sharon Cultural, Educational and Recreational Association, a non-profit organization, for the park.

The purchase included 20.2 acres of Scera Park, 400 South and State Street, and the Scera Shell. The city has agreed to lease the shell to SCERA for $1 per year for use by the performing arts.

Weeks wrote to the regional office after several community residents questioned whether the park purchase was eligible for funding under CDBG programs.

In response to Weeks' letter, HUD Regional Director Michael Chitwood stated Weeks raised numerous questions about the purchase, but added that the program is designed to emphasize local decision making in determining the use of funds.

"The city has determined to use CDBG funds to acquire the land from SCERA. It appears that this project meets CDBG eligibility provisions," the letter stated.

It continued, HUD officials have been "unable to determine if the national objective of benefit to low- to middle-income persons has been met until we clarify this aspect of the project."

It added that the citizens' participation in developing a funding list had been met. The citizens' committee was not binding on the council since the mayor and city council make the final decision.

"Under the provisions estab-

(See HUD, Page A2)

Citizens speculate on why Snow lost

By CHRISTI C. EVANS
Herald Staff Writer

Karl Snow may have lost his bid for Utah's 3rd Congressional District seat during the primary campaign, before he ever faced eventual victor Bill Orton, citizens said Wednesday.

When asked about Republican Snow's defeat in what has been called the most Republican district in the country, some citizens interviewed by the Daily Herald said they felt dirty campaigning before the primary election against John Harmer hurt Snow in the end.

"I think it was probably the inability of Snow to get things back together after the divisive primary with Harmer," said Mike Drake, Orem.

Emery Gigger, Provo, said he felt a lot of Harmer supporters checked Orton's name on the ballot as a vote against Snow rather than a vote for Orton.

"I think they voted in favor of Orton because they felt their man didn't get it," Gigger said, adding he was not surprised with the outcome of the election. "Two weeks ago when he wouldn't answer any questions, that didn't do Snow any good," Gigger said.

"It's possible a lot of people that were going to vote for Harmer voted Democratic," said an Orem woman who wished to remain unidentified.

If Snow hadn't been so "vicious" during the primary campaign, he would probably have had more supporters when the general election was held, she said.

Clyde Biggs, Orem, also credited Snow's loss to "stabbing" during the primary campaign. "He was actually brought out as being kind of a crook, more or less," Biggs said.

Lynn Lowry, Orem, said Snow simply ran a "dirty campaign."

"He threw too much mud and didn't get to the facts," Lowry said.

Byron Jensen, Orem, said he felt Snow began a clean campaign at first, but muddied the waters when he referred to the Orton and Scott Norton group as the "Bobsey twins."

Norton was the spokesman for Utahns for Ethical Government, a group of citizens that supported Orton over Snow.

"That was the turning point to him running a dirty campaign," Jensen said.

Jensen also mentioned an ad which ran in Sunday's edition of the Utah County Journal which questioned Orton's family values by referring to the fact that Orton is single. People may have been offended by that ad, he said.

"I think a lot of people agree that's what sunk (Snow)," Jensen

(See CITIZENS, Page A2)

Bush vows to avoid more tax increases

WASHINGTON (AP) — President Bush said today Republicans didn't do as well as he had hoped in midterm elections and that the lesson he learned from Tuesday's defeats of incumbent governors was that "people feel they've been taxed too much."

He said he would "absolutely" promise to oppose any new tax increases.

In his first public appearance since the disappointment of election night, Bush was asked whether he thought he had damaged himself politically by accepting $140 billion in tax increases as part of a budget reduction accord with the Democrats.

"I oppose raising taxes," he said. "We had this one compromise, and that just re-enforced my views." He added, "I don't think what I did was popular with anyone. But like the umpire you've got to call them as you see them."

Bush said, "I wish I had a Congress that would do it just my way, because I am convinced we can do it (cut the deficit) without any tax increases." But he acknowledged that voters had rebuffed his campaign efforts to put more Republicans in the House in the Senate. Instead, the GOP lost ground in both legislative chambers.

"I'm not talking victory" after moderate GOP losses in the House and Senate. Six incumbent governors, of both parties, went down to defeat, generally reflecting tax or economic woes.

Bush said he expected Democrats would attempt to pass more tax hikes, and said, "they're going to do it over my dead veto."

"If that's the case we're in for a whale of a fight," he said. "We're not going to compromise on that."

He revived his no-new-tax pledge, saying, "Can I make a promise I won't support them in the future? Absolutely." He said he was ready to "go to battle to beat back the tax attempts that I think are coming."

House Speaker Tom Foley said on Wednesday there is support among Democats for attempting to pass a surtax on millionaires, one of the provisions that was omitted from the deficit reduction plan that the president signed earlier this week.

Bush ducked a question about his own re-election plans for 1992. He is widely expected to run for a second term. His remarks came in a press conference that followed his appearance with retiring drug policy administrator official William Bennett.

Bennett said he believed Bush would run for reelection, and win.

Bush said he was not at the point of deciding on a replacement for Bennett or Elizabeth Dole, who announced last month she was resigning as labor secretary.

Index

Find it

Arts/Entertainment	C2-C3
Classified Ads	C3-C11
Comics	C4
Crossword	C7
Horoscope	D8
Legal Notices	C5
Movies	C2-C3
National	A4
Obituaries	B2
Opinion	B4
Sports	D1-D4
State	B3
Stocks	A6
World	A5

Weather

Friday will see mostly cloudy skies with chances of showers in the mountains, decreasing during the day, and a little haze moving in. Daytime highs will be in the mid-50s.

See Page A2.

Air Quality

Air quality was good all along the Wasatch Front with an increase in pollution levels expected.

See Page A2.

Herald "Want Ads" get results. Place your ad by calling 373-6450

N0000058

(Continued from Page A1)

...wants Moscow to acquiesce to using force as a last resort to liberate Kuwait, which Iraq seized on Aug. 2.

"Whether or not the use of force could be ruled out, probably this could not be ruled out, and a situation may emerge which effectively would require such a move," Shevardnadze said after the talks.

He reiterated, however, that any decision to use force against Iraq should be taken by the United Nations.

"I would advise against looking for some difference in the positions between the Soviet Union and the United States," Shevardnadze told reporters.

Earlier, at the opening of his first session with Baker, Shevardnadze had said the use of force against Iraq would be "undesirable."

The patience of U.S. and British officials with Iraq appears to be running short. On Wednesday, in her strongest statement yet, Britain's Prime Minister Margaret Thatcher said "time is running out" for a peaceful solution.

But Egyptian President Hosni Mubarak said in an interview with The New York Times today that the multinational force massed in Saudi Arabia to counter Iraq should give the U.N. sanctions "at least two to three more months." About 14,000 Egyptians are in the multinational force.

Air Pollution

The following information is taken from the Wasatch Front air pollution report compiled by the Utah Bureau of Air Quality. The complete report is available by telephone at 373-8660.

Conditions as of 8 a.m. were as follow:

Residential Areas

UTAH COUNTY	good
Salt Lake	good
Weber	good

Downtown Areas

PROVO	good
Salt Lake	good
Ogden	good

Overall Air Clarity

The air quality for today was good in all areas along the Wasatch Front.

Outlook

Forecast called for an increase in pollution levels with a clearing index of 200.

24-Hour (Index) Highs

North Provo	oz	na
North Provo	co	22
Lindon	pa	30
Provo	co	33

The (Index) Scale

0-50 good air; 51-100 moderate; 101-199 unhealthful; 200-299 very unhealthful; 300 and above hazardous.

Abbreviations

co = carbon monoxide
oz = ozone
so = sulfur dioxide
pa = particulates

Note

The Utah County residential area reading is taken from the Lindon monitoring station.

The State of Utah has identified the following as primary sources of pollutants in Utah County: co = vehicles; oz = vehicles and gas vapors; and pa = heavy industry.

Baghdad's information minister, Latif Nassayif Jassim, said today that Iraq will target all the multinational forces in Saudi Arabia if U.S. troops initiate an attack from Saudi soil, the official Iraqi News Agency reported.

Jassim, reacting to new Saudi-U.S. agreement on commanding the joint military forces, said: "We will retaliate on any American aggression against Iraq, and all the allies of the American forces in Saudi Arabia will be our target."

Iraq's army newspaper Al-Qadissiya today disclosed in an article about a graduation ceremony that Gen. Hussein Rashid, head of the Revolutionary Guards, is the new chief of staff. It did not say when he was named, or what happened to Gen. Nizar Al-Khazraji, chief of staff since 1985. The change of personnel was confirmed by officials in Washington, who spoke on condition of anonymity.

Saddam regularly purges those he perceives as a threat, and the Republican Guards are considered Saddam's best troops.

But one London-based analyst called the firing "very ominous."

"Khazraji's dismissal now is indicative of some opposition to Saddam within the military, who after all may have a say on the multinational force," said the analyst, Hans-Heino Koplietz. He works with Control Risks, an international security firm in

The U.S. officials who confirmed Khazraji's dismissal said he was replaced because he had objected to Saddam's decision to invade Kuwait.

Meanwhile, 280 Poles left for home today aboard an Iraqi jet after Saddam's government agreed they had fulfilled work contracts and were free to go, a Polish Embassy spokesman said.

More than 70 Japanese freed by Iraq arrived today in Tokyo.

ORTON:

(Continued from Page A1)

assess and may be doing that for some time.

State Democratic Chairman Peter Billings said Orton's win shows other Democrats that an unknown member of their party can run and win even though they were outspent 3 to 1, as Orton was.

"We had some very good potential candidates for office who just turned us down," said Billings. He said Orton's success is expected to turn around that trend.

Orton thinks he understands some of the meaning too.

"People want a two-party system," he said.

"Previously we had good Democrats who were frightened to stand up to the strength of the Republican Party."

Orton also said his victory means the Republican Party will now have to "put forward their best candidates."

Monteen Gordon, chairwoman of the Utah County Republican Party, seemed to take the 3rd District loss personally. She has lead the party for two months after the former chairman resigned following an alcohol-realted arrest by police.

Monteen agreed that the instability in the leadership of the party may have contributed to Snow's defeat, noting that a lack of continuity in the party leadership may have made it difficult to get a plan going.

"I feel badly for Karl Snow because things happened to him that shouldn't have happened to him," she said.

Athough her party won nearly all other races, she said losing the congressional seat "still hurts."

She said many Republicans cite the need for party unity, but she believes it is necessary to "stand for what we really believe."

She also said it was time for the public — mostly Republicans — in the district to get involved. She said even two days before the election, she had Republicans calling her asking who to vote for. She said the callers should have been more involved so they knew themselves who to vote for.

Stringham said for the Democrats, Orton's win means that voters want candidates in office who stick to the issues and respond to public concerns.

He said the Orton win will bolster Democratic candidates chances in the future. He said they haven't had much of a chance lately. He said even in his own voting districts, his party couldn't field a party candidate.

That will now change, Stringham said.

HUD:

(Continued from Page A1)

lished by the Office of Management and Budget, we evaluate costs charged to Federal grant programs to determine if such costs are 'necessary and reasonable.' We do not have information on how the city and SCERA established the sales price or on land values in general in Orem. It appears, however, that this is an area that bears further review," Chitwood wrote.

There was also a question over whether the proper guidelines had been followed in determining the property's "fair market value."

More definite conclusions regarding this project will require a review of all applicable documentation, Chitwood wrote.

"From what we do know, it seems appropriate to have staff from our Office of Community Planning and Development conduct an on-site monitoring review of the Orem CDBG Program in the near future, with major emphasis on the SCERA land acquisition project."

Charles Krierman, assistant director of Community Planning and Development, said, "Our staff is going out to review the program in general. We're aware that there aresome concerns aobut the SCERA Park puchase."

He had no further comment on the Orem office or its purchase of the park.

Orem City Manager Daryl Berlin said the visit is not an unexpected one, but part of an annual review process HUD makes of city's that receive CDBG funds.

"We have a letter in the file and we've cleared that project with HUD," he said. "We don't believe there was anything wrong with the use of CDBG funds."

Berlin said the city's Community Development Block Grant program director worked closely with HUD officials to ensure that everything met with approval.

"When they get concerns expressed by citizens HUD officials seem to look harder at things," Berlin said.

Berlin expects that the review will show no impropriety in the CDBG program or on the city's part.

CITIZENS:

(Continued from Page A1)

said. "I don't think people voted as much for Orton as they did against Snow."

Drake said, "I think a lot of people that saw that ad were offended."

Lyman "Sid" Shreeve, Provo, agreed the ad had hurt Snow. "That thing with the picture of the family . . . that was the last straw," he said.

Jensen said he felt endorsements by Vice President Dan Quayle and First Lady Barbara Bush actually hurt candidates Karl Snow and Genevieve Atwood because some Republicans are "mad" at President George Bush and his policy to "protect the rich."

If Snow had been elected, he would have owed the president a political debt for sending Dan Quayle to endorse him, Jensen said.

Afton Shreeve, Provo, mentioned Snow's questioned financial background. "They said he owed a lot of money and said he refused to pay it. That kind of bothered me," she said.

Bruce Jensen, a resident of Midvale but employed in Utah County, said his co-workers "just didn't like (Snow) for some reason."

"Maybe everybody's just looking for a change," he said.

The Daily Herald

(I.S.S.N. #891-2777)
Second Class Postage Paid at Provo, Utah
U.S.P.S. ID #143-060

Published Daily by
SCRIPPS LEAGUE NEWSPAPERS, INC.
1555 North Freedom Blvd
P.O. Box 717
Provo, Utah 84603-0717

KIRK PARKINSON, Publisher
N. LaVERL CHRISTENSEN, Editor/Editor Emeritus
1949 - 1989

POSTMASTER:
Send change of address to
The Daily Herald
P.O. Box 717
Provo, UT 84603-0717

MEMBER
Audit Bureau of Circulation
NEA Service

HOME DELIVERY RATES
(by youth carriers)

1 Month, carrier	$ 8.25
6 Months, carrier	$49.50
One Year carrier	$99.00

MOTOR ROUTE AND RURAL DELIVERY RATES*

1 Month, carrier	$ 8.50
6 Months, carrier	$51.00
One Year carrier	$102.00

*Rates may differ outside of Utah County

MAIL RATES IN UNITED STATES

1 Month	$ 12.00
6 Months	$72.00
One Year	$144.00

HERALD TELEPHONE NUMBERS

ADVERTISING DEPT.	373-5050
EDITORIAL DEPT.	373-5050
BUSINESS OFFICE	373-5050
CLASSIFIED	373-6450
DELIVERY SERVICE	375-5103

Copyright
Scripps League Newspapers, Inc., 1990

PRICES EFFECTIVE TUESDAY TH

REA

HIGHE
LOWE

1350 NORTH FREEDOM BLV
WE ADD ON



BI

TOMATOES
By The Can, Lb.

CELERY
Former Pack, Lb.

APPLES
Washington Red Delicious, Lb.



PORK CHOPS
Lb.

WHOLE FRYERS
Lb.

CREAM CHEESE
Western Family, 8 Oz.

BURRITOS
Los Compadres, 10 Pack

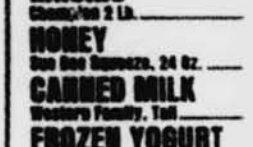


RAISINS
Champion 2 Lb.

HONEY
Sue Bee Squeeze, 24 Oz.

CANNED MILK
Western Family, Tall

FROZEN YOGURT
Life Time ½ Gal.



M

CAT LITTER
Jonny Cat, 25 Lb. Bag

DIAPERS
Ultra, 24 Ct., 24 Ct.

TOPPING
La Crema, 6 Oz.

SALTINES
Sunshine, 1 Lb.



PA
Wh

N000059

9704383O667

The Daily Herald

"It is a stupidity second to none, to busy oneself with the correction of the world."
— Moliere, French dramatist (1622-1673)

Opinions

Thursday
Nov. 8, 1990
B6

Snow did a meltdown

Herald comment

Bill Orton is going to Washington and the shock waves are still reverberating around the nation's most Republican congressional district.

What caused the stunning 21 percentage point victory margin by the upstart Democrat? The political pundits will be debating this one for years to come. We don't presume to have all the answers, but we do have a few thoughts on the matter.

First, let's dispense with the idea Snow was undone by an extremely tacky ad published in the Sunday edition of the Utah County Journal which questioned Orton's "values" because he happens to be unmarried. That theory has been given credence by some. While the ad may well have pushed a few voters off the fence, it does not explain why Snow lost to Orton in areas outside Utah County and not reached by the Journal. Although Snow decried the use of the ad and disavowed any prior knowledge, he did express basically the same sentiments expressed in the ad on at least one of the televised debates between the two candidates. That remark may have turned off as many voters as did the ad.

Next, let's deal with the notion Snow was undermined by the media in general, and The Daily Herald in particular. This has been a popular theme with some people in the Snow camp and has even been echoed by the Utah County Journal. Snow's campaign made wide use of a Journal editorial which basically said all the other media in the state, except the Journal, were handling the campaign badly. Evidently the only people who bought that argument were some people at the Journal and a few Snow loyalists. The majority of the voters did not.

If reporting what the candidates are saying and what newsmakers are saying about the candidates is undermining, then the Herald, and the Salt Lake City media were guilty. Interestingly enough, however, some highly placed people in the Snow camp, Orton camp and the John Harmer camp (during the primary race) have accused the Herald of doing its job fairly, and well. We believe the Salt Lake media have been fair and professional as well.

shooting itself in the foot recently — things like the county party chairman resigning, a commissioner resigning and another declining to run again when discretion became the better part of valor? If that was the reason, why then did Republicans sweep the county offices?

It is obvious that Utah County is still one of the most Republican pieces of real estate on earth. That's not surprising because "traditional" Republican values are well in line with traditional Utah County values. A word of caution to the congressman-elect, who stated he knew in August he was going to win. We question how he could have possibly KNOWN. Are you sure you won, Mr. Orton? Or did Mr. Snow lose?

- Exit polls suggested many John Harmer supporters crossed over and voted for Orton.
- Snow was seen as a liberal Republican trying to be a "conservative-come-lately."
- Although Snow may be clean as a hound's tooth, the Michael Strand penny stock baggage could not be shaken.
- Snow tried to get mileage from his long experience as a politician, but people are tired of politicians.
- Snow thought he could win in a walkover and took Orton for granted.
- Dirty campaign tactics by others hurt Snow.
- Dirty campaign tactics by the Snow campaign hurt Snow.
- Snow gave the impression of being a nice guy who didn't know what was going on in his own campaign.

We have heard all of these theories and more. There may be some truth to any or all of them. A couple of things we are pretty sure of, however:

Mr. Snow has a long record of service to Utah and he deserves our thanks.

Mr. Orton's stated values and goals would label him as an ultra-conservative in parts of Massachusetts.



What those lips were really saying



Mike Royko
TRIBUNE MEDIA SERVICES

The votes are counted and we've had the ritual of winners and losers making their speeches, while their supporters cheered or wept.

Here are a couple of speeches we didn't hear, but I wish we had.

"Thank you, thank you, thank you. This is a great victory. Not only for me, but for all of you who worked so hard to make this possible. You are the real winners.

"Actually, that isn't true. Let's face it, I'm the big winner because this is a real final say, even if they don't know what the hell they're doing and choose to cast their votes for the wrong guy, which in this case, they did.

"But it won't be long and you'll discover that you have elected a double-talking klutz, and you'll have only yourselves to blame, you dunderheads.

"Well, I suppose I'm partly to blame. I hired that idiot over there to run my media blitz, but it turns out that he

"It is a stupidity second to none, to busy oneself with the correction of the world."
— Moliere, French dramatist (1622-1673)

Opinions

Snow did a meltdown

Herald comment

Bill Orton is going to Washington and the shock waves are still reverberating around the nation's most Republican congressional district.

What caused the stunning 21 percentage point victory margin by the upstart Democrat? The political pundits will be debating this one for years to come. We don't presume to have all the answers, but we do have a few thoughts on the matter.

First, let's dispense with the idea Snow was undone by an extremely tacky ad published in the Sunday edition of the Utah County Journal which questioned Orton's "values" because he happens to be unmarried. That theory has been given credence by some. While the ad may well have pushed a few voters off the fence, it does not explain why Snow lost to Orton in areas outside Utah County and not reached by the Journal. Although Snow decried the use of the ad and disavowed any prior knowledge, he did express basically the same sentiments expressed in the ad on at least one of the televised debates between the two candidates. That remark may have turned off as many voters as did the ad.

Next, let's deal with the notion Snow was undermined by the media in general, and The Daily Herald in particular. This has been a popular theme with some people in the Snow camp and has even been echoed by the Utah County Journal. Snow's campaign made wide use of a Journal editorial which basically said all the other media in the state, except the Journal, were handling the campaign badly. Evidently the only people who bought that argument were some people at the Journal and a few Snow loyalists. The majority of the voters did not.

If reporting what the candidates are saying and what newsmakers are saying about the candidates is undermining, then the Herald, and the Salt Lake City media were guilty. Interestingly enough, however, some highly placed people in the Snow camp, Orton camp and the John Harmer camp (during the primary race) have accused the Herald of doing its job fairly, and well. We believe the Salt Lake media have been fair and professional as well.

What other reasons could be given for a young Democrat to carry the 3rd District so convincingly?

Could it be the GOP in Utah County has had one too many incidents of shooting itself in the foot recently — things like the county party chairman resigning, a commissioner resigning and another declining to run again when discretion became the better part of valor? If that was the reason, why then did Republicans sweep the county offices?

It is obvious that Utah County is still one of the most Republican pieces of real estate on earth. That's not surprising because "traditional" Republican values are well in line with traditional Utah County values. A word of caution to the congressman-elect, who stated he knew in August he was going to win. We question how he could have possibly KNOWN. Are you sure you won, Mr. Orton? Or did Mr. Snow lose?

- Exit polls suggested many John Harmer supporters crossed over and voted for Orton.
- Snow was seen as a liberal Republican trying to be a "conservative-come-lately."
- Although Snow may be clean as a hound's tooth, the Michael Strand penny stock baggage could not be shaken.
- Snow tried to get mileage from his long experience as a politician, but people are tired of politicians.
- Snow thought he could win in a walkover and took Orton for granted.
- Dirty campaign tactics by others hurt Snow.
- Dirty campaign tactics by the Snow campaign hurt Snow.
- Snow gave the impression of being a nice guy who didn't know what was going on in his own campaign.

We have heard all of these theories and more. There may be some truth to any or all of them. A couple of things we are pretty sure of, however:

Mr. Snow has a long record of service to Utah and he deserves our thanks.

Mr. Orton's stated values and goals would label him as an ultra-conservative in parts of Massachusetts.

Third District citizens can now turn their attention to another exciting and confusing race — the Associated Press and United Press International college football polls.



What those lips were really



Mike Royko
TRIBUNE MEDIA SERVICES

The votes are counted and we've had the ritual of winners and losers making their speeches, while their supporters cheered or wept.

Here are a couple of speeches we didn't hear, but I wish we had.

"Thank you, thank you, thank you. This is a great victory. Not only for me, but for all of you who worked so hard to make this possible. You are the real winners.

"Actually, that isn't true. Let's face it, I'm the big winner because this is a real shot for my ego and my career. And now I'll have a very big office, lots of flunkies, power, influence and people will grovel and slobber in hopes that I will do them favors.

"And I will do them favors, especially if they made strable contributions to my campaign. I'm no ingrate. Those of you who dropped a bundle, don't worry, you'll have my direct phone line. But be careful what you say; the feds could be listening.

"And my loyal wife, standing at my side, is a big winner, too, because she's into power and status. Without her pushing me to claw and scratch my way to the top, I'd probably still be checking commuter schedules like a mope.

"As for the rest of you, the ordinary political junkies who stuffed the envelopes, rang the doorbells and did the tedious work, I appreciate it. And now you can mention my name and say we're friends, even though I won't remember you tomorrow.

"It's been a long, difficult campaign. Frankly, there were times when I wasn't sure it was worth the effort. You can't believe the stupid questions I had to answer. Some of the reporters are dumber than rocks.

"I must have shook 10,000 hands. Some smile like a jackass all the time. The first thing I'm going to do when I go home tonight is look in the mirror and stick out my tongue and cross my eyes.

"During this campaign, I made a lot of promises and I hope [illegible] don't count on it. Most of the promises weren't my idea. My campaign manager and media adviser dreamed them up after we ran all the polls through computers and figured out what you wanted to hear.

"So what's wrong with that? You wanted to hear it. If I didn't say it, you wouldn't have worked and voted for me. I would have been stupid if I told you what you didn't want to hear. Would you want to think that you supported somebody who is stupid? Of course not.

"By the way, I have a gracious concession statement from my opponent. What a stiff. I hope he runs again next time, the bumbler.

"Now I'm going to leave you. But I won't forget you. How can I? You still have to help me pay off my campaign debt."

And from the other side:

"Thank you, thank you. It appears that the votes have been counted and the news isn't good. No, no, we must be realistic.

final say, ev
hell they're
votes for t
case, they di

"But it wo
that you h
klutz, and y
blame, you d

"Well, I g
hired that
media blitz,
couldn't sell
ing Eskimo.
you turkey.

"Anyway,
message to
that the be
You are on
human life I
wish this w
challenge y
honor and
hide for all
And a secon
things you
which was
Justice Dep
because if t
you are st
sentenced
and mopery
buy a roun
they lead yo

"Now I
sunset, and
phone in m
his ... well,

"So good
politics. Th
ence of my
of it

Letters

Full support

Editor:

I was surprised to hear when the U.S. blockade of the Persian Gulf tried to stop a ship from going through, it said they shot right in front of them. Every day we hear new things coming out of the Persian Gulf. I'm in full support of the president's decision.

All of the countries around are in great danger. Especially if the war broke out. Iraq is being stupid about taking over Kuwait. It's just a small piece of land at the southern tip of Iraq.

I just read a paper of who is sending clothes and food over there. Tyson food sent [illegible] pounds of frozen chicken over there

common sense and good planning prevail.

Science Magazine, Oct. 26, 1990, reported that the National Earthquake Prediction Evaluation Council (NEPEC) evaluated Browning's December 3 earthquake to be unfounded. The media has given him credit for predicting the San Francisco quake. What he said was that on or about 16 October (1989) "there will probably be several earthquakes around the world ...

Does that mean we should not worry about emergency preparedness? No. I believe that storing food, strapping down gas water heaters, designating places for your family to meet in the event of a disaster is a sound idea and helps to alleviate our own rational fears. That doesn't mean however, that you need to take out a loan to buy

N000062

ıits after election loss
ng sentenced to jail

ag-
ne
ıng
ıer
ıail

re-
es-

urt
to
ing
the

of
the
got
aid

by
nit-
Utah
l a
inst
Bar

l on
l in

an interview in late September. "But I'm getting tired of it because of all these problems. It's getting old. Hopefully, in November there will be new blood up there."

But instead of a transfusion, voters removed Searle, whose plan for victory was derailed by the Supreme Court last month when it ruled he could not run as a write-in candidate.

Searle had successfully argued before the high court in 1988 that he should not be subjected to the "yes-no" retention-type election required of smaller counties, but instead should have his name on the ballot.

The court concurred just days before the election, forcing the county clerk to block off the "no" heading on the ballot and count only "yes" votes. Searle won that year with 115 votes.

This time, the county attorney, who retains a practice in Salt Lake, filed for office under the retention format, then withdrew his candidacy the day after his arrest and declared himself a write-in candidate.

As a write-in, Searle would have needed only one vote to win. But a change in the law enacted between the two elections forced him back under the retention format.

"If there is only one candidate for county attorney in a county with three or fewer electors who are eligible to fill that office, the name of that one candidate must appear on the ballot with the yes-or-no question," Justice Michael Zimmerman wrote in the October ruling.

Judge Brent West sentenced Searle Wednesday to 90 days in jail, but suspended all but four days and ordered him to pay $697 in fines and restitution and serve nine months probation.

During the probation period, Searle is to complete an alcohol treatment program and refrain from any alcohol-related offenses.

ls feel law is constitutional

—
to
ing
sial

nge
Van
em-
cted
s is

e as
spin-
d to

potential litigation if it enforces the law, West Valley prosecutor Keith Stoney said.

The law, which mandates police officers to order suspected spouse abusers from the home shared with the alleged victim for at least 24 hours, was designed to protect battered spouses from further abuse, city officials contend.

Van Dam issued an informal opinion last June that the provision was unconstitutional because it deprived suspects of their property without due process of law.

Van Dam's opinion prompted Davis County to announce that it would not enforce the no-contact rule. Gay Taylor, chief counsel for the Legislative Research and General Counsel, petitioned the Utah Supreme Court for a writ to enforce the law.

Taylor argued that local and state governments must enforce laws passed by the Legislature until a court decides the law is unconstitutional.

THE RIGHT PAINT
VALLCOVERING CAN SET
ANY ROOM FREE.
OWELLS IS THE KEY!
allcovering



Demos glow; GOP ponders

SALT LAKE CITY (AP) — Democrats glowed. Republicans meditated. The Salt Lake County Commission was subdued; the sheriff's office was "like a morgue."

The 3rd District's Democratic Rep.-elect Bill Orton didn't foresee turning Republican — but didn't rule it out.

And Navajo San Juan County Commissioner Mark Maryboy, though he won re-election, was looking to future elections for more Navajo victories.

It was the day after the Utah general election, the election that gave Utah its first pair of Democratic congressmen in 16 years, a strengthened Democratic voice in the Legislature and new Democratic power in the state's most populous county.

Democratic glee and Republican pondering focused on Orton's 21-point victory over Republican Karl Snow in the heavily Republican 3rd District.

"The big topic of conversation in Washington, D.C., this morning at the Democratic Club is how this kid from Provo won the most Republican district in the entire United States of America," said Rep. Wayne Owens.

Orton is 42 and the characterization of the 3rd District as the most Republican has been disputed.

"Of course, he had a lot of help from Dan Quayle," Owens said gleefully, referring to Quayle's visit to Utah County in behalf of Snow.

Owens had reason to be cheerful. He had just won a third-consecutive term with an 18-point victory over Republican Genevieve Atwood.

"Now we've got a chance to re-energize the Republican Party in anticipation of the next election, which will include a presidential election. We've got to get the party together, and I think we can do that," Hansen said.

Owens suggested that had there been more national financial support for Brunsdale, "we Democrats would have had a clean sweep." Brunsdale is considering running again two years down the road.

Owens said the "first, selfish thought that entered my mind" at Orton's victory was that Republicans guiding redistricting would be less included to move Republicans from the 3rd District to the 2nd.

Orton, a conservative Democrat, said he would go to Washington and "be true to myself (and) true to my constituents.

"If that makes me an outlaw renegade in the Democratic Party, so be it. If it makes me totally ineffective in the Democratic Party, they won't see me a Democrat very long."

Republicans Sens. Jake Garn and Orrin Hatch said that if Orton truly is conservative, he may find life frustrating among more liberal Democrats.

"Look at the Democrats in the House who supported Reagan. Where are they now? They're gone,



and a few changed parties because they were totally ostracized," Garn said.

"If Orton doesn't continue to be conservative, he will only by a one-term congressman. And if he is conservative, he may find it so frustrating that he may consider changing parties," Hatch said.

Orton said he "probably wouldn't think twice" about switching parties if he could not be effective as a Democrat, but, "I don't believe that's going to happen.... I think I can have a great impact in Congress as a conservative Democrat. I think I can have a great impact on my own party as a conservative Democrat."

Republican Salt Lake County Commissioner Bart Barker, defeated by Democrat Jim Bradley, said he may have been in part a victim of ballot momentum from the Orton-Snow crossover vote.

He also complained of being "double teamed and triple teamed" by both Democratic challengers to Republican commissioners and by his GOP primary opponent, Henry Hilton, all of whom directed heavy fire at Salt Palace management.

The other Democratic victor, Randy Horiuchi, defeated Tom Shimizu by 990 votes. Shimizu said he would not call for a recount.

"I suppose there was just a mood out there of change. I also believe there was some fallout from the other races, like the 3rd congressional District," Shimizu said.

Mike Stewart, the lone surviving Republican on the commission, said he was optimistic about a smooth transition and good working relationship with the new commissioners.

"They are interested in government and know the political season is over," he said.

The office of defeated Democratic Sheriff Pete Hayward "felt a little like a morgue," said one lieutenant. "It's like there's been a death in the family."

A more festive atmosphere was found in the Salt Lake Police Department, where Capt. Aaron Kennard took congratulatory calls on his 4,500-vote victory over Hayward.

"I was surprised as anyone. I knew it would be close and we ran a hard campaign to send a message to Pete. But we worked hard for this," he said.

During the campaign, Kennard got into a bitter battle with Democratic County Attorney David Yocom, who campaigned for Hayward.

Yocom won re-election and the two will have to work together. "I'll have to extend the olive branch," Kennard said.

Maryboy also was a Democratic re-election victor but he was the only one on the six-Indian Democratic ticket in San Juan County who will take the oath of office in January.

"Four years from now we will have every single Navajo registered to vote," he said. "The registration process will continue, starting tomorrow. We know there are a lot of Navajos still not registered today."

Tuesday's turnout in the southeastern Utah county was "totally unremarkable," despite a massive voter registration drive, attorney general's counsel John Clark said.

"It was the same in individual precincts as in any other general election," Clark said.

Sixty-five percent of 7,057 potential voters cast ballots, compared to 67 percent during the last general election.



The Salt Lake Tribune

Vol. 241 No. 25 | Salt Lake City, Utah—Thursday Morning, November 8, 1990 | First Edition

Pg. 5



Tribune Staff Photo by Lois R. Jensen

Rep. Wayne Owens and Congressman-elect Bill Orton review their campaigns Wednesday at Democratic Party headquarters in Salt Lake City after their big triumphs.

Utah's Republicans Lick Their Wounds

By Douglas L. Parker
Tribune Political Editor

Democrats in Utah called it a watershed year and Republicans said wait until '92 as they woke up Wednesday following a general election that had singularly altered the politicians' bearings on the election landscape beyond all expectations.

They were still humming over how political novice Bill Orton — a Democrat wandering in a land steeped in Republicanism — could be called congressman-elect while being outspent, out-organized, out-endorsed — and have no less than the White House against him to dispatch Vice President Dan Quayle for his burial.

"This will give courage to those people who are Democrats," Mr. Orton said at a gathering of Democratic leaders reveling in their good fortune. "They will see that you can stand up against all of the odds and win."

Profiling Orton: A-4

Republican officialdom was more inclined to see Mr. Orton a 3rd Congressional District victory over political insider Karl Snow as a flash-in-the-pan built on a vicious split in GOP ranks stemming primary competition which in turn primed one of the state's most negative campaigns and created despair among the voters.

But Mr. Orton, calling himself a conservative pragmatist more than a partisan infighter, didn't just eke out the win in this dominant Republican district. He built up a landslide 58 percent victory — 21 points ahead of Mr. Snow — winning in all counties except Daggett and Uintah, holding 10,000-vote margins in Utah and Salt Lake counties.

The big topic of conversation in Washington, D.C., this morning at the Democratic Club," Rep. Wayne Owens observed, "is how this [illegible] from Provo won the most Republican district in the entire United States of America." (Mr. Orton is 42 years old.)

"Of course, he had a lot of help from Dan Quayle," Rep. Owens said gleefully.

The 2nd District Congressman could afford to be cheerful. He had just won his own 58 percent victory for a third consecutive term in Congress. He won by 18 percent over Republican Genevieve Atwood, who found herself pouring $120,000 of her own money into a campaign that in the end was outspent by the incumbent by a 3 to 1 margin. Rep. Owens raised around $800,000 to win re-election — the biggest-spending of the three congressional campaigns in Utah.

Utahns have to look back to the

See A-4, Column 3

S.L. County Officials Sink In Anti-Incumbent Tide

By Dan Harrie
Tribune Staff Writer

A subdued Salt Lake County Commission that included two stunned victims of voter unrest in Tuesday's election carried on the business of county government Wednesday and attempted to figure out what hit them.

Republican incumbents Tom Shimizu and Bart Barker were knocked out of office by Democrats Randy Horiuchi and Jim Bradley, ending 14 years of GOP control of the three-member panel.

Also ousted by voters was 12-year Democratic Sheriff Pete Hayward, who lost to Salt Lake City Police Capt. Aaron Kennard, and Republican Clerk Dixon Hindley, whose tenure was halted at two terms by Sherrie Swensen.

Three GOP incumbents and three

Sheriff's Office Somber After Hayward Loss: A-6

than 1 percentage point to Mr. Horiuchi.

"I suppose there was just a mood out there of change. I also believe there was some fallout from the other races, like the 3rd Congressional District ... where Democrat Bill Orton pulled out a huge upset over Republican Karl Snow."

Mr. Shimizu said he would not call for a recount. The race's 900 vote spread was nearly 300 votes too wide for a recount at county expense. But the review could have been conducted at a cost of a few hundred dollars to the candidate.

Ten-year incumbent Mr. Barker — who was ousted with a convincing 18 point, 58,133-vote margin by Mr.

plained he was "double-teamed and triple-teamed" by both Democratic challengers and by his Republican primary opponent, Henry Hilton. Those candidates all directed heavy fire at the commission for alleged mismanagement of the Salt Palace, which is part of Mr. Barker's Administrative Services portfolio.

The last time Democrats held a majority on the commission was 1976.

Mr. Bradley said the incoming commissioners will move the county in a new direction, but won't turn it on its ear.

In terms of making any radical changes, it's not going to happen overnight," assured Mr. Bradley.

The lone surviving Republican on the commission, Chairman Mike Stewart, said he is optimistic about a smooth transition and good working relationship.

"They'll need to establish some



Demos Bask In Glow Of Victories

Republicans Say They Didn't Do Too Badly

By David Espo
Associated Press Writer

Democrats boasted Wednesday of a Sun Belt election breakthrough that could buoy their presidential prospects in 1992. Republicans gained two late upsets to go with a win in California and claimed "we didn't do too badly" despite midterm setbacks.

Still a Democratic celebration was in full swing.

"George Bush is in a slide. There's absolutely no question about it," said Ron Brown, chairman of the Democratic National Committee.

The White House saw it differently, as a midterm election with something for everyone, and said it could not be interpreted as a referendum on Bush's popularity anyway.

For winners everywhere, the day

N000063

kept in office were Auditor Craig Sorensen, Assessor Robert Yates and Recorder Katie Dixon.

The lame duck commissioners, who still have nearly two months to serve on their present terms, said Wednesday they have been made believers in the much-touted anti-incumbent tide sweeping the country.

"That was a very heavy part of it," said Mr. Shimizu, a seven-year veteran who lead by solid margins in all pre-election polls only to lose by less

Mr. Barker said some of the hundreds of voters he talked with before the election were just plain mad.

They were angry and had already made up their minds they were going to take it out on incumbents. From rally, when it came to Congress, they didn't. But they had to take it out someplace."

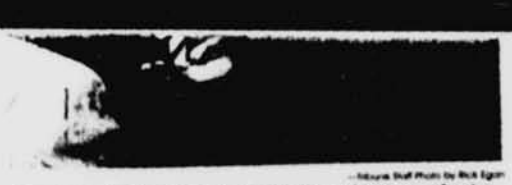
Mr. Barker also said he was victimized by negative campaigning and ballot momentum from the Orton-Snow crossover vote.

In addition, Mr. Barker com-

government and know the politics season is over.

Among the issues to be faced head-on by the newly-constituted commission he had in the question of whether to increase taxes for a new medium-maximum security jail to replace the aging, overcrowded one downtown.

Mr. Stewart was scheduled to meet with Mr. Horiuchi Thursday and was attempting to arrange a meeting with Mr. Bradley to discuss their plans



Randy Horiuchi, left, and Jim Bradley rode a wave of voter unrest to win seats on the Salt Lake County Commission.

ratic incumbent James Blanchard.

From the disappointed there were generally gracious comments. Democratic Rep. Jim Bates, trailing narrowly in California: "If the voters decide to make a change, that's what democracy is all about."

After weeks of talk that voters were angry about Congress' performance and ready to make changes, about 96 percent of incumbents won re-election.

Senate Democratic Leader George Mitchell and House Speaker Thomas S. Foley, their majorities strengthened in the 102nd Congress, went to work on an agenda for the next two years.

Foley said it would include "tax fairness," as well as legislative initiatives for health care and education.

"The debate over the budget was the best thing that happened," said Brown of the October political free-for-all in which Bush abandoned his no-new-taxes campaign pledge.

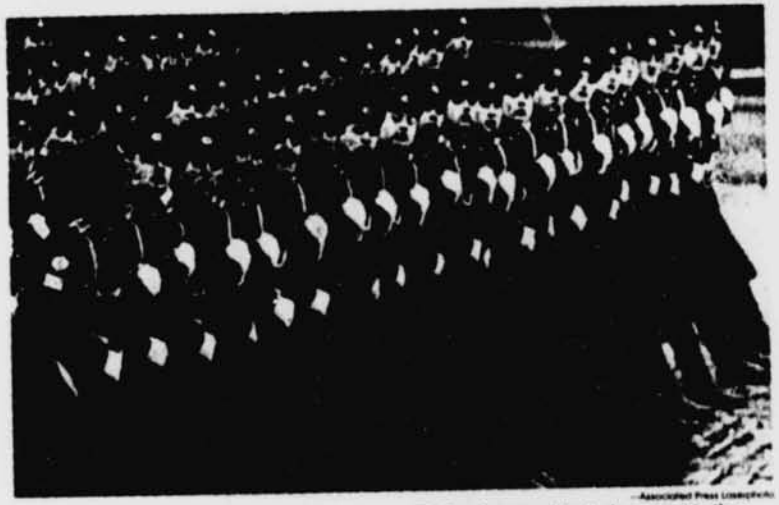
In the ensuing scramble, Democrats jumped on a theme of tax fairness, depicting themselves as defenders of the middle class and Republicans as protectors of the rich.

A day after the polls closed, there were three races unsettled.

Arizona's gubernatorial contest appeared headed for a runoff after neither Democrat Terry Goddard nor Republican Fife Symington

See A-2, Column 1

Gunman Fires 2 Shots as Gorbachev Leads Parade



Soviet army cadets, marching past review stand in Red Square on Revolution Day | Wednesday, provide stark contrast to thousands of Soviets who held protest rallies.

By Gerald Nadler
United Press International

MOSCOW — President Mikhail Gorbachev led a Revolution Day parade across Red Square Wednesday to celebrate the birth of Communist rule in the Soviet Union, but tens of thousands of people marched in protest rallies across the country.



Mikhail Gorbachev

A man from Leningrad fired two shots into the air from a sawed-off shotgun during the official parade in Moscow. No one was hurt in the incident near the GUM department store across Red Square from where Gorbachev stood reviewing the parade, the official Tass news agency said.

Tass quoted the KGB secret police as saying the unidentified man who fired the shots was detained. TV film footage showed about 10 plain-clothes police surrounding him and hustling him from Red Square.

Radicals had vowed to turn the national holiday celebrating the 1917 Bolshevik Revolution into a fest of legitimacy for Communist rule in a country beset by economic crisis and ethnic conflict.

Anti-government demonstrations were reported in cities from the Far East hub of Khabarovsk to the Byelorussian capital of Minsk.

Heavy contingents of police and soldiers in Moscow guarded the entrances to Red Square before the start of the annual military parade.

As a light snow fell, Gorbachev ascended the mausoleum of Soviet state founder Vladimir Lenin and began his speech by saying he knew the entire seven-decade Communist period was being questioned.

The president, who also is the Communist Party leader, was dressed in his standard gray fedora, a gray overcoat and a white scarf with black stripes. He conceded that all the goals of the revolution had not been achieved and that its ideals were distorted by dictator Josef Stalin.

"We are fully aware that history cannot be reversed, but it is just as important to understand that miscalculations and mistakes can be corrected if they are admitted, and if the proper lessons are learned," Gorbachev said.

"At the hour of trial, every true patriot must discard everything petty and extraneous and realize his or her responsibility for the destiny of the motherland," he said.

Once an annual showcase of Soviet might, the military display this year was the shortest ever held on Nov. 7, lasting a bare 30 minutes.

The parade also showed the shift of power away from the Communist Party under Gorbachev's reforms, with the lineup of leaders atop the Lenin mausoleum no longer presenting an all-powerful Politburo that ruled the country without legal dissent.

Gorbachev was joined by several trusted aides and the two most well-known non-Communists in the country, Russian Federation head Boris Yeltsin and Moscow Mayor Gavriil Popov.

Gorbachev broke with decades of tradition when he climbed down

See A-2, Column 5

U.S. Prepares Resolution Authorizing U.N. Strike

By Laura King
Associated Press Writer

Iraq on Wednesday promised to free 120 hostages, including a few Americans, but U.S. officials blasted Saddam Hussein for his cynical use of captives and the foreign envoys who have been seeking to free them.

At the United Nations, diplomats said the United States has prepared a Security Council resolution authorizing the use of U.N. military force against Iraq, a step unprecedented in the history of the United Nations.

The U.S. Mission has not circulated the text to other Security Council members because Secretary of State James Baker is overseas lining up key support for it, the diplomats said, speaking on condition of anonymity.

"We know they've got it on paper, but it would be absurd for them to pass it around until they've got all the crucial support lined up," said one official.

U.S. officials in Washington who were close to the situation, also speaking anonymously, confirmed the account.

One State Department source, speaking privately, insisted, "There is no U.S. draft on use of force at this point."

A document is not technically a draft, however, until it has been introduced before the council.

Baker said in Turkey that Iraq's invasion of Kuwait on Aug. 2 is, after all, the first real crisis of the post Cold War era, and it is very important that when the United Nations takes action and passes resolutions, those resolutions and the act be implemented."

Iraq has defied 10 Security Council resolutions.

"Obviously, we want to see a peaceful, diplomatic and political solution to this problem," Baker said, but added:

"It is the view of our president and the United States that we cannot rule out the possible use of force before we see that the matter is resolved peacefully," he said.

Baker flew to Moscow on Wednesday to continue his diplomatic initiative on the Persian Gulf crisis, which includes rallying support for the use of U.N.-sanctioned military force. He then travels to Paris and London.

In some of her strongest remarks of the 3-month-old Persian Gulf standoff, British Prime Minister Margaret Thatcher warned Saddam that time is running out for a peaceful solution.

Mrs. Thatcher told British lawmakers they must send the Iraqi

See A-2, Column 1

Today's Chuckle

If the whooping cranes had whooped it up more, maybe they wouldn't be facing extinction.

Inside The Tribune

Tribune Telephone Numbers on A-3

Astmov Quits	A-20
Business	C-1-4
Classified	C-8-15
Comics	B-4,5
Crossword	C-6
Editorials	A-18
Entertainment	B-8,9
Foreign	A-2,13-15
Intermountain	A-2,8
Jumble	C-6
Lifestyle	A-16,17
Local	A-20;B-1-2,6,10
Local	C-5,6,16
National	A-2,3,8,9
Obituaries	C-6
Public Forum	A-19
Sports	D-1-7
Star Gazer	B-5
Television	C-6
Utah Elections	A-4-7
Washington	A-2,8,9

Today's Forecast

Salt Lake City and vicinity — Mostly cloudy. Highs, lower 50s. Lows, upper 20s. Details, B-2.

N000064

Demos Basking in Glow of Victories

Continued From A-1

amassed 50 percent of the vote in a three-way race.

Two California House races were too close to call, both involving Democratic incumbents. In a third race that was decided during the day, Republicans held onto a GOP seat.

In all, Democrats emerged from the elections with a 58-44 majority in the Senate, a gain of one seat. They were adding nine seats to their House majority for a likely edge of 268-167. Their major congressional disappointment: GOP Sen. Jesse Helms' bigger-than-expected re-election in North Carolina.

Democrats took seven governorships away from Republicans, including Bush's home state of Texas, where Ann Richards vanquished Clayton Williams, and Florida, where Lawton Chiles ousted Gov. Bob Martinez.

Pete Wilson defeated Dianne Feinstein to keep California in Republican hands. And the GOP took away five statehouses from the Democrats, including Ohio and Michael Dukakis' Massachusetts. Engler's win was an upset, and Arne Carlson won Minnesota in a race so close it wasn't called until well after dawn.

With independents Lowell Weicker and Wally Hickel winning in Connecticut and Alaska, Democrats held 28 governorships for sure and the Republicans 19. If the GOP wins Arizona, where its candidate was leading narrowly but heading for the runoff, that would mean a loss of one for each party.

Both sides claimed gains in the race to control the redistricting of House seats before 1992. Democrats emerged with complete control over reapportionment in Texas and Florida, which together will gain seven seats, and in 15 other states. Republicans have outright control in three states, and Wilson's victory gave them a share of the power with the Democratic legislature in California, which gains seven seats.

Rep. Beryl Anthony noted House Democratic gains of two seats in the South and declared an end to the gradual move toward the GOP there. "Realignment is dead," he said. "The Republicans will have to find a new slogan."

"You win some and you lose some," shrugged Bush spokesman Marlin Fitzwater, and he and party spokesman Charles Black said Republicans beat the historical averages for midterm losses by the party in the White House.

Bush "campaigned hard in Texas and lost, campaigned hard in California and won," Fitzwater added, speaking of two key gubernatorial races.

But Brown chortled that Bush "campaigned heavily for 18 candidates and 14 of them lost." Asked why the Democrats lost California, he replied, "George Bush didn't stay long enough."

Outgoing Ohio Gov. Richard Celeste tried to blame Democratic gubernatorial losses in New England and the industrial Midwest on Republican economic policies. "Democrats may be paying a price for the weakening of the national economy," he said. "It would be ironic if those Democrats who have been carrying the burden of Republican parties for the last decade" would pay the price for a recession.

Fitzwater said Bush was looking forward to working with the new Democratic majorities in Congress, but also predicted the election results would not affect the president's ability to sustain any vetoes.

"It means the veto will continue to be a legislative strategy tool. The president's been very successful in that regard, upholding some 16 vetoes in his first two years," he said.

Voter surveys said economic concerns were evident. Republican governors Mike Hayden of Kansas, Kay Orr of Nebraska and Martinez all raised taxes, and all were swept out. New Jersey Democratic Sen. Bill Bradley's close call seemed to reflect anger with a tax increase engineered by Democratic Gov. Jim Florio.

There will be four new faces in the new Senate. The list includes Republican Reps. Bob Smith of New Hampshire, Hank Brown of Colorado and Larry Craig of Idaho, all of whom succeeded retiring GOP lawmakers. The fourth is Paul Wellstone, a liberal who defeated Rudy Boschwitz in Minnesota.

Wilson's election in California will mean a Republican replacement for his Senate seat.

Wilson won instant national standing with his victory, while Richards' victory in Texas and Chiles' in Florida gave Democrats their biggest wins of the night.



—Associated Press Lineup Photo

California's governor-elect, Pete Wilson, a bright spot for the GOP, keeps the State-house in Republican hands by defeating ex-San Francisco Mayor Dianne Feinstein.

Caste, Religion, Rivals Defeat Singh After 11 Months as India's Leader

By Steve Coll
Washington Post Writer

NEW DELHI, India — Eleven months after he took office promising to clean up government corruption and restore India's fraying democratic institutions, Prime Minister V.P. Singh fell from power Wednesday night, undone by age-old problems of religion and caste and outflanked by rivals in his minority government.



V.P. Singh

Following a daylong, often boisterous debate in the lower house of Parliament, during which Singh defended his performance and accused Hindu militants of betraying his government, the prime minister was defeated overwhelmingly in a confidence vote, 346 to 142. Shortly after the tally was announced, Singh resigned as prime minister.

Singh's ouster appeared to clear the way for his rival, Chandra Shekhar, a self-described socialist who engineered a split in the governing Janata Party earlier this week and then won public backing from opposition leader Rajiv Gandhi to form a new government.

But while Shekhar has positioned himself to become the country's next prime minister, the situation remains uncertain. India's head of state, President R. Venkataraman, has the option to block Shekhar's potentially unstable proposed government and call elections immediately. But most sitting politicians don't want a new election, fearing it would exacerbate the religious and caste violence that has claimed hundreds of lives across India during the past two months.

Whatever comes next, Singh's defeat Wednesday night, which had been widely expected, marked the end of an unusual and volatile period in Indian politics. During Singh's spirited campaign against then-Prime Minister Gandhi and his Congress Party last year and during his first months in office, many Indians abandoned their usual cynicism about politicians and invested their hopes in a leader who mustered an aura of integrity and high ideals.

Spotlight



David Letterman



Simon Wiesenthal



John F. Kennedy Jr.

David Letterman, whose house has been broken into six times by a fan, called police when he found a pair of autograph seekers waiting in the driveway of his New Canaan, Conn., home.

No charges were filed in the incident, which occurred about 2 a.m. Saturday, authorities said.

Police said they didn't know if the fans got the talk-show host's autograph.

Margaret Ray of Crawford, Colo., was sentenced to a year [illegible] after breaking into Letterman's home for a sixth time in March. She told authorities at one point that she was Letterman's wife.

★ ★ ★ ★

Simon Wiesenthal was given an honorary doctorate Wednesday by Vienna University.

Students proposed awarding the 81-year-old Holocaust survivor the doctorate in philosophy, said University Rector Karl Wernhart.

Wiesenthal said his 4½ years in a Nazi concentration camp made him realize that "survival is a privilege."

He vowed to continue to work for justice and freedom and to remain "a voice of all those people whose mouths were closed forever" in Nazi death camps.

Wiesenthal, by his own reckoning, has brought some 1,100 Nazi fugitives to justice since the end of World War II. His most celebrated triumph was helping the Israelis in 1960 to capture Adolf Eichmann, the architect of the Holocaust.

★ ★ ★ ★

John F. Kennedy Jr. is glad that he's finally lived down the "hunk who flunked" label.

Reporters awaited Kennedy, 29, when he arrived for work Wednesday at the Manhattan district attorney's office and he shared his feelings about finally passing New York's bar exam.

"I got the word. I'm very relieved," he said. "I'm looking forward to doing something good."

Kennedy, whose sister, Caroline, passed the bar on her first try, had failed the exam twice since graduating from the New York University Law School in 1989, making him the object of "Hunk Flunks" tabloid headlines. He would have lost $36,000-a-year his job if he hadn't passed this time but now he gets a $1,000 annual raise. Kennedy's work concentrates on white-collar crime and low-level political corruption.

★ ★ ★ ★

Arsenio Hall gloated and hammed it up for paparazzi as he received a star on the Hollywood Walk of Fame Wednesday.

The celebrity's popular talk show enters its third season in January on the Fox Broadcasting Network.

Hall's star was the 1,923rd on the famed walk near downtown Los Angeles.



Arsenio Hall: Star Gets His Star

★ ★ ★ ★

Cher opened her Australian tour Tuesday night and impressed the crowd with her glitz and costume changes.

In the first of five performances in Sydney, Cher had seven wardrobe changes. "And as the songs got bigger, the outfits got smaller, featuring everything from what can only be described as a leather thong to minis, beads and jeans," a reviewer for the *Sydney Telegraph Mirror* said.

"We even got to see four of those buttocks — er, four brown and buttocks. Cher has a great voice, [illegible] 'a' roll baby of them [illegible]

S90006N

The Day After: Utah's Republicans Lick Their Wounds



—Tribune Staff Photo by Rick Egan

Gracious in defeat, Republican Genevieve Atwood is encouraged by a supporter as disappointing election returns come in.

Continued From A-1

1974 election as the last time two Democrats from Utah won seats in the U.S. House of Representatives. The 3rd District wasn't created until 1982.

But even beyond picking up two seats this year, the Democrats relished the fact they almost trimmed the sails of five-term 1st District Congressman James V. Hansen with a vigorous campaign from 53-year-old Kenley Brunsdale, a former Owens aide making his first bid for elective office. Rep. Hansen has been considered a likely figure to run for governor or the U.S. Senate if either seat opens in the future.

The Farmington Republican won by a relatively narrow 52 percent, losing Weber County by about 7,000 votes, and just claiming the edge in Davis County by 2,000 votes. But Rep. Hansen, as most Republican officials, was disinclined to see any portent for future elections out of this week's electoral chemistry.

"Now we've got a chance to re-energize the Republican Party in anticipation of the next election, which will include a presidential election. We've got to get the party together, and I think we can do that," Rep. Hansen said.

Rep. Owens, the subject of frequent ridicule from Rep. Hansen, suggested that had there been more national financial support for Mr. Brunsdale, "we Democrats would have had a clean sweep." Mr. Brunsdale is considering running again two years down the road.

The Democratic story wasn't written in just congressional races. The party strengthened it's muscle in the Legislature, gaining four seats in the House and three seats in the Senate. And although they remain in minority status (44-31 in the House, 19-10 in the Senate), Democrats are in a better position to protect interests in redistricting to come next year.

"I think finally the voters of Utah are starting to realize we need a two-party state," said Democratic State Chairman Peter Billings Jr. "In that sense, I think it is a watershed year."

"The missing story — at least so far — is how far Kenley Brunsdale came from being down to Congressman Hansen," Mr. Billings observed.

With added Democratic political muscle, the party chairman suggested any Republican reapportionment plans are now skewed because of uncertainty as to where partisan strengths are, and what candidates might be protected at the risk of diluting strength for others.

But, as Rep. Owens pointed out, Republicans still control the Legislature and the governor's office, "and can do basically that which public opinion and their good political sense and the law permits."

About 445,000 Utahns voted, which is calculated at about 57 percent of the registered voters estimated by the lieutenant governor's office.



—Tribune Staff Photo by Rick Egan

Smiles abound in Wayne Owens' family as daughter Sara joins in. Happy dad won by a surprising 18-point margin.

Stresses Conservative Views

Orton Promises Unconventional Approach in Representing Utah

By John Keahey
Tribune Staff Writer

Democrat Bill Orton promises to be as unconventional in his approach to serving in the U.S. House of Representatives as he was in his campaign to carve out a place of influence in the nation's "most Republican" district.

In fact, the day following his stunning defeat of veteran GOP politician Karl Snow, Mr. Orton said he will put his conservative views and his desire "to change the system" ahead of partisan politics.

"If I come to the conclusion that I cannot be effective ... I will go [to the political party] where I can be most effective, and that's as honest as I can be about it." — Bill Orton

So far ahead in fact, he "probably

He said he believes a political leader who is "not afraid to stand up, go against the grain, swim upstream and speak out for what he knows and believes to be true, can prevail. You can't argue that it was an uphill battle as a Democrat in the 3rd District."

He said he would fight the same way in Congress and in the Democratic Party that he fought in the election.

"If I come to the conclusion that I cannot be effective ... I will go [to the political party] where I can be most effective, and that's as honest as I can be about it."

He said his game plan is to go to Washington and, first, "be true to myself" and second, "be true to my constituents. If that makes me an outlaw renegade in the Democratic Party, so be it. If it makes me totally ineffective in the Democratic Party, they won't see me a Democrat very long."

But, he said, that's getting too far into the future.

Today, "I think I can have a great



—Tribune Staff Photo by Lynn S. Johnson

Newly elected Rep. Bill Orton is calling for changes in the system. He pledges to put conservatism ahead of partisan politics.

found that he was more comfortable listening to "my own gut" than following the advice of numerous political advisors.

"Practically every political advisor who talked to me kept telling me to shut my mouth on taxes, that people don't want to hear about taxes. I ignored them because it's common sense that the people know there's a problem.

"The people know that the solutions are going to hurt. The people are ready to start acting on solutions."

He said he intends to do assume a leadership role by setting up a congressional office that, first and foremost, is constituent oriented.

"I want a functional office ... that gives me the most access possible to constituents." He said he also recognizes that he will need a traditional structure in order to "get me around the system in Washington."

But his office, he said, will have a non-traditional element, "because I plan on using the system [to change] the system." He said he wants to use the same hands-on approach in

Undecided Vote Had Last Say During Election

By John Furgerson
And Laura Neidhart

In the 3rd Congressional Di... Democrat William Orton over... poll predictions, captured 58 ... cent of the vote and upset Republican Karl Snow.

THE UTAH POLL

One week ago the Utah Poll showed Snow ahead with 44 percent of the vote. As *The Tribune* reported, the poll also revealed a significant shift toward Orton and a large contingent of undecided voters. Indecision was growing as the race progressed.

With the momentum on Orton's side, Snow's last-minute negative advertising probably backfired and drove large numbers of undecided voters to the Orton camp.

Several other factors could have ... polls, ... surrounding ... transactions and the ... of ...

9704383067 4

his desire to change the system ahead of partisan politics.

So far ahead, in fact, he "probably wouldn't think twice" about switching parties if he found he was ineffective as a conservative in a party generally perceived to be liberal.

"But I don't believe that's going to happen," he told *The Tribune*. "I'm as optimistic about [being able to change the system] as I was about winning this election."

into the future.

Today, "I think I can have a great impact in Congress as a conservative Democrat. I think I can have a great impact on my own party as a conservative Democrat."

Mr. Orton believes this approach will keep him in good stead with the unlikely coalition of voters who, to the surprise of every political expert, propelled him into office far ahead of Republican Rep. Dan Marriott in the 2nd Congressional District race.

Food-Tax Verdict Whets Appetite for Reforms

By Paul Rolly
Tribune Staff Writer

While the initiative to remove the sales tax from food failed to pass the test of voters Tuesday, the issue is by no means dead and will probably be addressed in the 1989 Legislature.

That was the consensus Wednesday of Democrats, Independents and Republicans alike in the wake of the election that saw the defeat of the initiative by a 56-44 percent margin.

"We did manage to raise the public consciousness about the unfairness of the tax structure, and even the Republican opponents were conceding the tax on food was unfair," said Democratic State Chairman Peter Billings, Jr.

"We'll be around to continue to fight for these issues," said Independent Party leader Merrill Cook, who led the movement to obtain 89,000 signatures of registered voters to force the initiative on the ballot in the first place.

"We may be down, but we're not out, and we'll be heard from again," Mr. Cook said.

The Democrats and the Independents — a party put together from the tax reduction movement of 1987 and 1988 — formed a strange coalition in support of the initiative, although the two parties had different approaches to the issue.

Democrats argued for a restructuring of the tax system to ease burdens on the working poor and middle class and attach more tax responsibility to the higher income groups. They argued the $113 million in estimated revenue losses for state and local governments could be made up with tax restructuring in other areas.

The Independents didn't see a need for changing any other tax. Mr. Cook argued the state has a sizeable surplus — upwards of $200 million — that is growing all the time. He said the state is already in a position to easily absorb the revenue that would be lost by the food sales tax removal without cutting services or increasing other taxes.

Just about everyone believes the issue will be addressed one way or another in the legislative session that begins in January.

With Democratic gains in both the Senate and the House, Mr. Billings said "we have a good working number now to push for some tax fairness legislation. Because of that, I believe the Republicans will try to take the wind out of our sails by sponsoring tax fairness legislation of their own.

"And that is good," Mr. Billings said. "That is how the Democratic process works."

The Democrats increased their number in the 75-member House from 27 to 31 and in the 29-member Senate from seven to 10.

House Majority Leader, Craig Moody, R-Sandy, who is one of the candidates vying for the vacant Speaker of the House position, has already prepared legislation that would give an income-tax credit to people under a certain income for the sales taxes they pay on food.

tem. He pledges to put conservatism ahead of partisan politics.

right, conservative and moderate Republicans who lost faith in Mr. Snow and who the congressman-elect believes make up the mainstream of 3rd District voters.

He knows much of Mr. Snow's defeat came, in part, from the influence of ultra-right strategists who wanted a Republican they viewed as liberal out of the way even at the cost of losing the seat to a Democrat, albeit a conservative Democrat.

"I had to cross [the ultra-conservatives'] minds" that Mr. Orton might be easier to unseat in two years than "the damaged goods they had in Karl Snow."

They were asking themselves, Mr. Orton speculated, "'Do we keep Karl for a decade or do we go in and pick Orton off in two years'."

To prevent that from happening, "I have to go back and do the job. If the public decides I haven't done the job for them, they'll go and vote for someone else. That is, if I decide to run in two years."

He hopes to meld together the strange bedfellows found in his constituency, he said, by simply "being myself."

"Personally, I believe I think the way the people in my district think." This group, he said, runs the philosophical gamut from trade unionists ("We have the largest group of union members in any district in the state") to "arch conservatives, strict constitutionalists."

But, he maintains, there are underlying philosophical similarities.

"One thing I've found is that all voters recognize common sense," he said. "The one thing that most politicians ignore is common sense.

"As I went through the campaign and was asked difficult questions, I just had to look inside myself and think: 'What does common sense tell you?'

"Not everyone is looking for you to agree with them all the time. They're looking for someone who will stand up and lead."

He said he frequently looked deep inside during the campaign and

ing the system. He said he wants to use the same hands-on approach in managing his congressional office that he used in managing his unorthodox campaign.

"My office is probably not going to be your typical congressional office. My campaign certainly wasn't typical.

"I didn't even have a formal campaign manager," he said, recognizing that this flies against conventional wisdom that a politician who acts as his own campaign manager has a fool for a client.

And he believes he will fit in with the demanding Washington-to-Utah round trips he plans to undertake to stay in touch with constituents.

"I've spent a lot of time on airplanes. I am used to living in two or three different places at the same time. It will not be much of an upset to my routine and the way I live my life. I've been living this kind of life for the last decade.

"I don't think I'll go through my whole freshman term wondering where the men's room is in Washington."

surrounding so-called penny-stock transactions and the mobilization of an anti-Snow effort by local citizens probably hurt him in the late stages of the race. Also, problems within the Republican party and a bitter contest in the Primary might have contributed to Snow's defeat.

In the 2nd Congressional District Wayne Owens prevailed over Republican Genevieve Atwood 58 to 40 percent.

Although the Utah poll indicated the candidates were running much closer, the Owens-Atwood race resembled other campaigns around the country where long-time incumbents faced stiff competition.

Challengers, including Atwood, managed to sway public opinion in their favor by focusing on the federal budget debate. In most cases, however, late campaigning shifted support back toward the incumbent.

The congressional race in District 1 ended a little too soon for Democratic challenger Kenley Brunsdale.

According to the Utah Poll, Brunsdale's support grew steadily since early October when he held 23 percent of the vote. Last week he had captured 44 percent compared to Congressman James Hansen's 52 percent. Hansen will begin his seventh term in Congress.

Challengers in both Salt Lake County Commissioner races posted dramatic, come from behind victories in Tuesday's election.

Last week the Utah Poll showed support for both incumbents was slipping, especially in the Shimizu-Horiuchi race. Randy Horiuchi won the race with a margin of less than one percent.

The poll also recorded the Barker-/Bradley race as a virtual tie. In the end, Democrat Jim Bradley won the race with 50 percent of the vote.

In both county races the undecided vote might have been the deciding factor. Last week 13 percent of those polled — an unusually large number for this late in the race — could not decide between Barker and Bradley. Nine percent were undecided in the Horiuchi-Shimizu race.

Voters High on Judges

All 35 judges running for judicial retention elections throughout the state were approved by voters Tuesday in overwhelming decisions.

At the very least, 73 percent of the voters showed their approval for the judges, which included six Utah Court of Appeals judges, 16 district court judges, 11 circuit judges and two juvenile court judges.

This marks the second time voters either voted "yes" or "no" for a judge's retention, ever since a 1987 amendment changed the way judges run for election.

In an effort to take partisan politics out of the judicial elections, the amendment allowed voters to decide if they approve of a candidate's performance rather than letting them choose between candidates.

☐ Commission A

702 of 702 Districts — 100 percent

Name, Party	Votes — %
Bart Barker, GOP (I)	72,702 — 41
Jim Bradley, Dem	104,825 — 59

☐ Commission B

702 of 702 Districts — 100 percent

Name, Party	Votes — %
M. Tom Shimizu, GOP (I)	89,081 — 50
Randy Horiuchi, Dem	90,079 — 50

☐ 1st District

593 of 593 Districts — 100 percent

Name, Party	Votes — %
Kenley Brunsdale, Dem	69,219 — 44
James V. Hansen, GOP (I)	82,296 — 52
Reva Mark Wadsworth, Amr	6,397 — 4

☐ 2nd District

566 of 566 Districts — 100 percent

Name, Party	Votes — %
Wayne Owens, Dem (I)	85,080 — 58
Genevieve Atwood, GOP	58,830 — 40
Lawrence Rey Topham, Ind	3,421 — 2
Eleanor Garcia, SW	411 — 0

☐ 3rd District

470 of 470 Districts — 100 percent

Name, Party	Votes — %
Bill Orton, Dem	78,341 — 50
Karl Snow, GOP	50,099 — 37
Robert J. Smith, Amr	6,534 — 5
Anthony Melvin Dutrow, SW	515 — 0

☐ FOOD SALES TAX REPEAL — Initiative A

COUNTY	TOTAL DIST.	DIST. REPORTING	FOR	AGAINST
Beaver	6	6	621	994
Box Elder	36	36	3,789	6,857
Cache	59	59	4,931	12,592
Carbon	18	18	2,182	2,938
Daggett	2	2	177	242
Davis	164	164	20,250	25,062
Duchesne	12	12	1,283	2,067
Emery	12	12	1,531	2,134
Garfield	10	10	667	834
Grand	11	11	1,098	1,586
Iron	21	21	1,974	3,523
Juab	12	12	951	1,274
Kane	10	10	868	852
Millard	17	17	1,347	2,256
Morgan	8	8	850	1,523
Piute	5	5	256	375
Rich	5	5	192	501
Salt Lake	702	702	86,227	96,736
San Juan	20	20	1,919	1,994
Sanpete	26	26	1,693	2,823
Sevier	23	23	1,526	2,915
Summit	26	26	2,165	3,237
Tooele	39	39	3,279	4,178
Uintah	21	21	2,230	3,370
Utah	148	148	25,821	28,926
Wasatch	15	15	1,458	2,028
Washington	43	43	5,473	5,546
Wayne	7	7	372	743
Weber	151	151	19,055	26,487
Totals	**1,629**	**1,629**	**194,184**	**264,593**

☐ 1st CONGRESSIONAL DISTRICT

	TOTAL DIST.	DIST. REPORTING	BRUNSDALE	HANSEN	WADSWORTH
Beaver	6	6	698	872	46
Box Elder	36	36	4,618	5,710	358
Cache	59	59	6,050	10,604	535
Davis	164	164	20,565	22,944	1,947
Garfield	10	10	725	1,227	25
Iron	21	21	1,704	3,627	175
Juab	12	12	880	1,276	36
Kane	10	10	344	1,330	38
Millard	17	17	794	2,554	150
Morgan	8	8	1,210	1,125	25
Piute	5	5	182	442	13
Rich	5	5	147	514	0
Tooele	39	39	3,022	3,666	270
Washington	43	43	3,473	7,082	524
Wayne	7	7	217	875	13
Weber	151	151	25,099	18,246	2,034
Totals	**593**	**593**	**69,219**	**82,396**	**6,397**

☐ 2nd CONGRESSIONAL DISTRICT

	TOTAL DIST.	DIST. REPORTING	OWENS	ATWOOD	TOPHAM	GARCIA
Salt Lake	566	566	85,080	58,830	3,421	411

☐ 3rd CONGRESSIONAL DISTRICT

COUNTY	TOTAL DIST.	DIST. REPORTING	ORTON	SNOW	SMITH	DUTROW
Carbon	18	18	4,263	972	85	33
Daggett	2	2	176	100	6	4
Duchesne	12	12	2,157	1,051	60	8
Emery	12	12	2,341	1,216	52	25
Grand	11	11	1,771	1,212	81	26
Salt Lake	136	136	22,892	12,820	1,642	143
San Juan	20	20	1,968	1,903	77	67
Sanpete	26	26	2,566	1,690	209	16
Sevier	23	23	2,370	1,962	150	10
Summit	26	26	3,181	1,816	179	34
Uintah	21	21	2,340	3,061	140	21
Utah	148	148	30,664	20,670	3,795	193
Wasatch	15	15	2,152	1,327	58	38
Totals	**470**	**470**	**78,341**	**90,090**	**6,534**	**515**

N000067

97043830675

The Daily Herald

Saturday, Nov. 10, 1988

A

Saturday Briefing

Judge questions half the charges facing Keating

LOS ANGELES (AP) — A judge on Friday ordered the dismissal of more than half the securities fraud charges against Lincoln Savings and Loan mogul Charles H. Keating Jr. unless prosecutors can amend them to his satisfaction.

Defense attorneys had urged Superior Court Judge Lance Ito to dismiss all 42 counts, contending in a dismissal motion that they were flawed by vagueness and technical problems.

Ito agreed that 22 of the 42 counts were flawed. But he gave prosecutors until Nov. 19 to submit a revised indictment.

"The court will sustain the demurrer, with leave to amend," Ito said.

The next hearing in the case was set for Dec. 3.

Keating, the former head of American Continental Corp., was jailed for 33 days on a 42-count indictment. He posted a reduced bond of $300,000 last month.

American Continental controlled the Irvine-based Lincoln Savings and Loan Association. Experts have estimated Lincoln's failure may cost taxpayers $2 billion, making it the costliest thrift failure yet.

Keating and three of his executives are accused of deceiving investors about the safety of $250 million in now-worthless "junk bonds" sold at Lincoln branches. Many elderly bond buyers lost their life savings.

If convicted, the defendants each could receive a maximum prison term of 10 years.

Prosecutors and defense attorneys disagreed over how severe a blow the government suffered in its case. It is the first criminal prosecution stemming from the collapse of American Continental.

Abbe Lowell, a lawyer for former American Continental President Judy J. Wischer, said he believed well-meaning prosecutors had been caught up in a frenzied search for scapegoats to the nation's savings and loan debacle.

"I think in this case unfortunately the district attorney cut too many corners," Lowell said.

He said he did not believe the grand jury indictment could be amended to make the 22 counts acceptable.

"If they think they can now cut and paste and succeed in doing that they did before, let them try," Lowell said.

But prosecutors characterized the problems as technical and said they believed the charges ultimately would stand. Deputy District Attorney William Hodgman said he would address some of Ito's concerns by being more specific about charges, probably by adding additional counts.

On other counts, prosecutors will make their charges less specific in order to address technical problems, said Deputy District Attorney Paul Turley.

Twenty of the counts in question allege that Keating and his executives sold American Continental "junk bonds" without properly registering them with state and federal authorities. The interest rates on the bonds were higher than for insured certificates of deposit, reflecting their riskiness.

The sales occurred at branches of Lincoln. The bonds became worthless when American Continental filed for bankruptcy protection and regulators seized Lincoln in spring 1989.

As for the other 20 charges, Ito said: "I find there is rational basis in the grand jury transcripts" to support them.



CHARLES KEATING
Figure in S&L failures

State

Orton sits in for Owens at wilderness session

SALT LAKE CITY (AP) — Debate might have raged over Utah wilderness at the Governor's Forum on Natural Resources — except wilderness foes' main antagonist was missing.

Newly re-elected Democratic Congressman Wayne Owens skipped the program Thursday night after announcing a day earlier that he would not seek a congressional vote on Utah wilderness for five or 10 years — until the local political climate becomes more favorably disposed toward wilderness.

Until the issue comes to a vote, all 3.2 million acres proposed for wilderness study in Utah will be treated as wilderness.

Owens' plan was denounced by Gov. Norm Bangerter, who called it "a ridiculous position."

Lame-duck Republican Congressman Howard Nielson also took a swipe at the absent Owens, saying "People need to know how that land is going to be used."

Owens was to have shared the dais Thursday with Nielson and Rep. Jim Hansen for a discussion of the congressional perspective on wilderness versus multiple use.

Instead, Owens' place at the head table was taken by Bill Orton, newly elected Democratic Congressman for the heavily Republican Third District. Although he

Nation



World

De Gaulle's death marked in France

PARIS (AP) — France commemorated the 20th anniversary of Charles de Gaulle's death Friday with respect and affection that eluded the former war hero and president in his final years.

Throughout the country, religious services, exhibitions, symposiums, television programs and plays paid tribute to de Gaulle as leader of the French resistance to Nazi occupation and founder of the current constitutional system with its strong president.

In contrast to his sometimes tempestuous presidency from 1959 to 1969, De Gaulle now is admired by Frenchmen of all political persuasions.

A poll published Thursday in the newspaper Le Monde said 84 percent of the respondents believe de Gaulle's record in office was "positive."

The near-universal admiration contrasts with the general's last years, when students and workers rioted in the streets.

De Gaulle's unpopularity culminated in a humiliating defeat at the polls in 1969 and drove him from

N0090068

problems.

Ito agreed that 22 of the 42 counts were flawed. But he gave prosecutors until Nov. 19 to submit a revised indictment.

"The court will sustain the demurrer, with leave to amend," Ito said.

ing it the costliest thrift failure yet.

Keating and three of his executives are accused of deceiving investors about the safety of $250 million in now-worthless "junk bonds" sold at Lincoln branches. Many elderly bond buyers lost their life savings.

well-meaning prosecutors had been caught up in a frenzied search for scapegoats to the nation's savings and loan debacle.

"I think in this case unfortunately the district attorney cut too many corners," Lowell said.

He said he did not believe the

cerns by being more specific about [illegible], probably by adding additional counts.

In other counts, prosecutors will make their charges less specific in order to address technical problems, said Deputy District Attorney

nental filed for bankruptcy pr tion and regulators seized Li in spring 1989.

As for the other 20 charge said: "I find there is rational in the grand jury transcript support them.

State

Orton sits in for Owens at wilderness session

SALT LAKE CITY (AP) — Debate might have raged over Utah wilderness at the Governor's Forum on Natural Resources — except wilderness foes' main antagonist was missing.

Newly re-elected Democratic Congressman Wayne Owens skipped the program Thursday night after announcing a day earlier that he would not seek a congressional vote on Utah wilderness for five or 10 years — until the local political climate becomes more favorably disposed toward wilderness.

Until the issue comes to a vote, all 3.2 million acres proposed for wilderness study in Utah will be treated as wilderness.

Owens' plan was denounced by Gov. Norm Bangerter, who called it "a ridiculous position."

Lame-duck Republican Congressman Howard Nielson also took a swipe at the absent Owens, saying "People need to know how that land is going to be used."

Owens was to have shared the dais Thursday with Nielson and Rep. Jim Hansen for a discussion of the congressional perspective on wilderness versus multiple use.

Instead, Owens' place at the head table was taken by Bill Orton, newly elected Democratic Congressman for the heavily Republican Third District. Although he started off sounding like a wilderness proponent, Orton ended up in harmony with the others, all supporters of multiple uses for proposed wilderness lands.

"I am a conservationist," Orton said. "I can think of nothing better than to saddle my horse and ride off into that beautiful wilderness country. I am committed to conserving that beautiful nature."

But the economy also must be preserved, he said.

"I believe wilderness designation has a purpose," he said. "I also believe there are other means of protecting that property other than a wilderness designation. I am strongly in favor of multiple use of public land."

Democrats eye upcoming 1991 reapportionment

SALT LAKE CITY (AP) — Gerrymandering will be all but impossible when the Utah Legislature in 1991 begins its once-a-decade task of redrawing state and federal political boundaries, Republican leaders say.

But Democratic leaders say they won't take any chances.

"We would be naive to go to the Legislature without a plan," said James Roberts, executive director of the Utah Democratic Party. "I think they're going to try, and we'll be watching."

The process of redistricting state House and Senate territories and reapportioning three congressional districts will begin next April after the U.S. Census Bureau releases its 1990 figures.

Armed with computerized maps and numbers, a bipartisan committee reflecting the Legislature's two-to-one Republican majority will redefine each of the 75 House and 29 Senate districts, as well as the congressional sectors.

The result will be numerically even divisions for Utah's 1.7 million population, which has grown 17 percent since 1980.

The Legislature will be asked to adopt the new plan during a special session sometime next fall, and it will be up to Republican Gov. Norm Bangerter to sign the legislation that will remain in effect until 2001.

Assistant House Majority Whip Byron Harward, R-Provo, said Friday that strict U.S. Supreme Court guidelines demand equal representation.

But he acknowledged the 2nd District likely will be the hottest topic, largely due to Owens' support for widespread wilderness designations and the opposition of many Utahns outside his urban territory.

Of several plans floated in GOP circles, the most controversial was to halve the 2nd District that now [illegible] the Salt Lake Valley to wind up with a

Nation



AP Laserphoto

Garbo's Art

Two visitors to a pre-auction exhibition at Sotheby's in New York on Friday examine items from the estate of the late, legendary screen star Greta Garbo that are to be auctioned off next week. **The painting at center, by Renoir, is titled "Leontine Et Coco" and is expected to bring more than $7 million during the sale to be held Tuesday through Friday.**

Passenger flight picks wrong field

JACKSON, Miss. (AP) — A Continental Express flight from Houston to Jackson landed at the wrong airport Friday.

The ATR-42 turboprop was carrying 33 passengers when it landed Thursday night at Hawkins Field rather than Jackson International Airport in nearby Rankin County, airline spokeswoman Peggy Mahoney said.

She said the crew was grounded Friday while officials investigated.

Hawkins Field was a commercial airport until the Jackson International opened. The plane was flying into the area for the first time, FAA officials said.

Mahoney said passengers on Flight 2880 were taken to Jackson International Airport.

Army sergeant is 45th Arabia death

SAUDI ARABIA (AP) — A U.S. Army soldier taking part in Operation Desert Shield has been found dead, apparently of natural causes, in a shower, military officials said Friday.

The soldier was identified as Sgt. James Wilcher, 25, by officials at Fort Buss, Texas, where he had been stationed earlier. They said he was

A preliminary investigation showed no evidence of foul play, the Pentagon said.

It is suspected that he died of natural causes. However, the exact cause of death is not known at this time. Medical help was immediately available and all attempts to revive him were unsuccessful," the Fort Buss news release stated.

The soldier was assigned to the 69th Maintenance Detachment of the 11th Air Defense Artillery Brigade, which was sent to Saudi Arabia from Fort Bliss in El Paso.

Old farewell found in Seattle school

SEATTLE (AP) — Workers pulling down a slate chalkboard in an elementary school found buried treasure — chalk drawings elementary school children had done a half-century earlier.

The workers were preparing Tuesday to cover the wall-length chalkboard with a bulletin board at Concord Elementary School. They noticed the slate was loose, pulled it off and found a farewell from the 6A Graduating Class of 1938.

Further investigation turned up more artwork beneath another chalkboard, apparently left behind by someone who couldn't bear to erase them when new slates were installed over the worn ones 52 years before.

The wall-length boards included six

"That's me — No. 17. That's my signature," Carl Marra exclaimed when he was summoned to the school.

Marra, whose name was signed Marro then — a birth certificate error he later corrected — is a lifelong resident of the South Park neighborhood. Marra said he did not remember doing the blackboard fare well, but added: "I remember most of the kids. We all lived on the same street."

Several of his long-ago classmates still live in the area, he said.

The chalk pictures are drawings of scenes in Norway, Portugal and Italy on one board, and Holland, Sweden and Mexico on another.

The room's present teacher, Bernice Moore, said her third-grade students were very excited by the discovery. "They talked about what they must have been studying at the time ... probably about those countries."

Principal Toby Gonzales informed the Seattle School District's archive office of the find and taped off the area to protect it while plans were made to put it on display in the hallway or elsewhere.

Pair says malaria cured their Lyme

NEWARK, N.J. (AP) — Two women said Friday they deliberately contracted malaria in an unorthodox procedure that they say has cured them of Lyme disease.

N0000069

• Youth homeless
• Domestic violence homeless

Those attending the meeting concluded that there are many more questions than answers to the homeless problem. Another meet-

3. Are women with children going through a divo[illegible]
4. Are teena[illegible]thers who have been living wit[illegible]ir parents.
5. Have lost their homes because of foreclosure.

cal illness or injury, are socially immature, are mentally or emotionally ill, or may have heard there were jobs here.

Generally, transients have a sketchy work history. They often

help.

[illegible]e don't know what the an[illegible]rs are to these problems," Hullerstrom said. "We are exploring possible solutions."

Pollster says 42 percent of votes were against Snow

Special to the Herald

In the 1990 election, 42 percent of the votes for Democrat Bill Orton were votes against Republican Karl Snow.

And, although the Republican primaries in Utah may have damaged the party's performance Nov. 6, most Utah voters want to maintain an open primary system, reports the KBYU-Utah Colleges Exit Poll.

David Magleby, a Brigham Young University professor of political science who oversees the poll, said there were many surprises in this year's elections.

"An exit poll like this permits us to analyze the sources of support for a surprise candidate like Orton. In a district that has never elected a Democrat, Orton's wider than 60-40 margin of victory was stunning," said Magleby.

Magleby said the poll, which enlists the help of more than 40[illegible] Utah college students and surveys 1,800 voters, revealed the following conclusions about the dynamics of Utah's congressional races:

• Most Utah voters (82 percent) approve of the current open primary system. Magleby says the Republican leadership supports a closed primary, where only party members can vote, and believes it would be more fair. While there is talk of such a bill being proposed in the state legislature, the exit poll shows the public would oppose such a measure.

• Orton, winner of the 3rd Congressional District, received 93 percent of the Democratic vote while picking up 43 percent of the Republican vote. His success among Republican voters surpassed Wayne Owens' 37 percent in the 2nd District race.

• Leftover emotions from a divisive Republican primary in the 3rd District appeared to play a role in Snow's loss in the general election. The exit poll revealed that 82 percent of those who voted for Republican John Harmer in the primary voted Democratic on Tuesday.

• Genevieve Atwood, who garnered the votes of Independents, Democrats and Republicans in the open primary defeat of Dan Marriott, lost 40 percent of those voters to Owens in the 3rd District general election. More than half of those voting for Marriott in the primaries voted for Owens on Tuesday. Of this group, 43 percent said their votes were votes against Atwood.

• Before the elections, Republican Party officials said Atwood's challenge was to convince the traditional Republican woman to vote for a woman. But Atwood's gender did not appear to help her, as 58 percent of the women in her district voted for Owens.



AP Laserphoto

Christmas airlift

Helicopter pilot Ronald Patton ferries harvested Christmas trees recently in Albany, Ore., to a drop point along a nearby farm road. There, the trees were bound and loaded on large trucks for delivery to a Christmas tree warehouse.

trainer brings upon him u[illegible] ginable peril and danger should have listened, bu[illegible] didn't.

Bo Jackson plays in the field of the Kansas City R[illegible] and then as a hobby, he [illegible] a star running back for th[illegible] Angeles Raiders. Or, is other way around? In be "hobbies," this gifted a earns untold millions doin[illegible] vision and print commen[illegible] "Bo Knows Bo" is Jac[illegible] autobiography as written the assistance of Dick S[illegible] Which sport does Bo like That depends on when yo[illegible] him.

These days, an alarming ber of surgical procedure being done which are [illegible] unnecessary, according to who should know. When doctor suggests that you surgery, what should yo[illegible] Dr. John Lewis says, "[illegible] you give your consent, ch[illegible] out. The better informe[illegible] are, the less you will risk Lewis' book, "So Your [illegible] Recommended Surgery," be a good place to begin t[illegible] ing informed. In this bo[illegible] describes most major sur

Voters sa[illegible]

Special to the Herald

Most Utah voters think Pr[illegible] Bush should choose a new r[illegible] mate in 1992, according to t[illegible] KBYU-Utah Colleges Exit Po[illegible]

"By a margin of 57 to 43 p[illegible] Utahns feel Quayle shou[illegible] dropped from the ticket," David Magleby, a Brigham University political science sor and organizer of Tuesday poll.

"Quayle's average popu[illegible] rating was 3.63, which me[illegible] percent of voters gave a n[illegible] response to the vice preside[illegible] said.

In contrast, Magleby said dent Bush has an approval of 4.98, on a scale of one to which means 71 percent of react positively to the presid[illegible]

Obituaries

Fay Smith

Fay L. Smith, 92, of Provo, died Nov. 9, 1990, in Provo.

He was born June 12, 1898, in Provo, to Abram Lewis and Rachel McDonald Smith. He married Elsie Barton on April 23, 1924, in Salt Lake City. The marriage was solemnized in the Salt Lake LDS Temple on Nov. 30, 1932. She died Oct. 19, 1984.

He graduated from BYU Academy.

He was a member of the LDS Church. He was a high priest and had served as a scout master and home teacher.

He had lived in Provo, Castle Gate, Tooele and Payson.

He had traveled extensively.

He is survived by six daughters, Mrs. Keith (Hazel) Gardner, Spanish Fork; Mrs. Sharee Smith, Orem; Mrs. Cleon (Lois) Sheriff, Sandy; Mrs. John (Rachel Jean) Casey, Salt Lake City; Nancy Smith, Provo; Beth Smith, West Jordan; 15 grandchildren; 26 great-grandchildren. He was preceded in death by a son, Kent Smith, a grandson and two sisters.

Funeral will be Monday at 2 p.m. at the Berg Drawing Room Chapel, 185 E. Center, Provo. Friends may call at the mortuary Sunday, 6-8 p.m. and one hour prior to service Monday.

Burial will be in Provo City Cemetery.

Betty Miller

Betty June Hill Miller, 63, died Nov. 8, 1990, in American Fork.

She was born June 27, 1927, in Casper, Wyo., a daughter of Ephraim Bert and Sabra Abbie Bedsaul Hill. She married Thomas Edward Miller in Ogden in 1968.

She was a member of the Republican Party Committee for 10 years and a member of the Republican Women's Group.

She was an active member of the St. Francis and St. Peters Catholic Church.

She served on the board of directors for the area chapter of the Red Cross.

She is survived by her husband, American Fork; three sons and three daughters, Tammy Miller, Austin, Texas; Blaine Miller, Concord, Calif.; Scott Miller, Provo; Teresa DeBusk, Leander; Lorrine Ellis and Thomas Miller, Jr. both of American Fork; seven grandchildren; one sister, Viola Lowther, Provo.

Funeral will be Monday, 10 a.m. in the St. Peters Catholic Parish, 634 N. 600 East, American Fork. Friends may call at Anderson & Sons Mortuary, 49 E. 100 North, Sunday 6-8 p.m. with a Rosary following at 8 p.m.

Burial will be in Veterans Memorial Park at Camp Williams.

National obituaries

Murray Moler

PLEASANT VIEW (AP) — Former Standard-Examiner associate editor Murray Moler died Thursday of heart failure. He was 74.

52 years and some of the world's major news stories.

Moler was aboard the U.S. battleship Missouri to see the Japanese surrender at the end of World War II. Locally, he covered the ground-breaking ceremonies for Hill Air Force Base 50 years ago.

EPA: No conflict in advisers with

NEW YORK (AP) — Six scientists on an Environmental Protection Agency panel on smoking, including a Brigham Young University researcher, have ties to a tobacco industry research group, but the EPA says that's no problem.

"We went to our lawyers and said, 'Does this constitute a conflict of interest?' and they said no," said Donald Barnes, staff director of the EPA's scientific advisory board.

"We were concerned about the appearance of conflict of interest," Barnes said. But he said the link between the panel members and the tobacco organization "does not cause any question to be raised about their technical capabilities."

The 16-member panel's task is to assure the accuracy and objectivity of two forthcoming EPA studies on the health effects of second-hand cigarette smoke. In addition to the six members with ties to the tobacco research organization, a seventh member of the panel was appointed at the urging of the Philip Morris tobacco company, EPA officials said.

"They've stacked the deck with people who have close ties to the tobacco industry," said Dr. Alan Blum, a founder of the anti-smoking group Doctors Ought to Care. "It's pathetic."

The panel members are linked to the Center for Indoor Air Research of Linthicum, Md.

The center is financed by Philip Morris, R.J. Reynolds Tobacco Co. and Lorillard Corp., three of the nation's largest tobacco companies. Its board of directors is made up of employees of those companies, said Pamela Phillips, an administrator at the center.

The chairman of the EPA panel, Morton Lippmann of New York University, is on the science advisory board of the tobacco industry center.

Lippmann and another member of the EPA panel, Dr. Jonathan Samet of the University of New Mexico, helped devise the center's research agenda.

Samet and three other members of the panel are listed as "peer reviewers" for the center. They help determine which research projects the center supports.

Yet another panel membe[illegible] bert Eatough of Brigham [illegible] University, receives researc[illegible] from the center.

A seventh member, Geoff[illegible] bat of the American Healt[illegible] dation, had been recommen[illegible] Philip Morris, EPA official[illegible] Kabat said, "I have no [illegible] contact with the tobacco i[illegible] at all, and I certainly do[illegible] myself as being an agent o[illegible] in any respect."

The makeup of the EPA[illegible] aroused controversy when[illegible] reported last month that th[illegible] cy had dismissed Dr. David[illegible] from the panel after the [illegible] industry lobbied to get rid of[illegible]

Burns, of the University [illegible] fornia, San Diego, was the[illegible] of the U.S. Surgeon Gener[illegible] port on passive smoking[illegible] regarded by his colleague[illegible] leading authority on the is[illegible] was reinstated to the pan[illegible] his dismissal was disclosed.

Lippmann said he didn't [illegible] problem working with the E[illegible] with the tobacco research c[illegible]

"It can always raise que[illegible] he said. "I don't view it

Manti Destiny Committee accepts video

N000070

9704383063/8

Local/Regional/B1-5, 9
Business/Finance/B6-8
Weather/B2
Deaths/B9, 10

Richard D. Hall, city editor, 237-2100

Utah

Thursday, November 8, 1990

Nielson blasts anti-Snow groups

■ 'Illegal campaign': District 3 incumbent says 2 organizations broke the law by not reporting expenditures.

By Lee Davidson
Deseret News Washington Bureau chief
and Brooke Adams
Deseret News staff writer

PROVO — Utahns For Ethical Government — the group that blasted Republican Karl Snow for supposedly being unethical — may have been unethical itself by violating federal election laws, Rep. Howard C. Nielson, R-Utah, charged Tuesday.

Nielson said Utahns For Ethical Government and a second group, Republicans For Orton, failed to report independent expenditures they made during the final weeks of the 3rd District congressional race.

"They did not register (with the Federal Election Commission) and they put $50,000 to $60,000 in a very illegal campaign, and I think that is very bad," Nielson said.



Republicans For Orton, which formed Oct. 19, did not spend more than $1,000 and therefore does not have to file as a Political Action Committee, according to Rose Higa, secretary for the group. Higa will report the group's expenditure of $755 as an in-kind donation with Democrat Bill Orton's final Federal Election Commission report, which is allowed by the commission.

Utahns For Ethical Government, which spent at least $4,000, has not registered as a political action committee, nor filed forms disclosing "last minute" spending, commission spokesman Scott Moxley said Wednesday in Washington.

Moxley said a group must register as a PAC once it raises or spends $1,000 to influence a federal election. Filing registration forms must occur within 10 days of spending or raising that $1,000.

Also, groups must report any "last-minute" spending on campaigns occurring two to 20 days before an election to the commission within 24 hours of the spending. There is no cost for registering a committee or filing expenditure reports.

Scott Norton, spokesman for Utahns For Ethical Government, does not believe his group is a PAC.

"We've not filed a thing," he said. "We are just a citizens group. We are a good-government group; we are not a political action committee. As a good-government group we have the right to publicize our findings. It is a basic free speech issue here — as long as we don't endorse one candidate and we did not."

The group, which formed in mid-October, urged residents not to vote for Republican Karl Snow in radio ads, several full-page newspaper ads and a four-page tabloid inserted in community newspapers in Utah County.

According to the Federal Election Commission, individuals or groups may exercise their right of free speech in federal elections, but if they spend $1,000 or more doing so, they have to report their expenditures.

Moxley said the maximum penalty the commission can impose for inadvertent failure to file required registrations and disclosure forms is $5,000 or 100 percent of the amount of money involved, whichever is greater.

He added that if the commission finds that such a violation was committed knowingly and willfully, the penalty could be up to $10,000 or 200 percent of the amount of money involved, whichever is greater.

Anyone can file a complaint with the commission about election violations. complaints take seven to eight months to investigate, Moxley said.

U. pediatric faculty asks Peterson to counter publicity

■ Letter: Doctors say chairman, department have gotten bum rap in controversy over U.-Primary ties.

By Marianne Funk
and JoAnn Jacobsen-Wells
Deseret News staff writers

Senior faculty members of the University of Utah's Department of Pediatrics want U. President Chase N. Peterson to counter a tide of negative publicity they say their department and its chairman don't deserve.

In a Nov. 6 letter to Peterson, 12 pediatric faculty members said, "We are distressed by the negative publicity that both our department and its chairman have received." The faculty members said the media had made little attempt to uncover the facts, rather basing their reports on opinions of individuals.

Deseret News attempts to obtain comment from faculty members over the various controversies have been thwarted for the most part by faculty's refusal to comment on the record. They have also refused to comment, saying they are doing so on the advice of their attorneys.

The letter also criticized the university and medical school administrations, saying the two administrations have "done little to counter the adverse publicity. We feel that it is time for the administration of the University and the medical school to address the allegations in a reasonable, unemotional, accurate and factual manner."

Peterson was traveling abroad this week and

Please see LETTER on B2

Bruins bare their teeth to protest bear hunt

■ Meeting: Wildlife Board bears up under pressure and sticks to its guns.

By Joseph Bauman
Deseret News environmental specialist

The "three bears" invaded a meeting of the Utah Wildlife Board Wednesday, but barely raised an eyebrow among the board



NEWSLINE

The West

Provo City Council names

N0000071

ta on bears for a longer period, uncom-
eated by changing the hunting rules in
middle.

During the first part of the meeting, the
ger bear sat in the audience while one
his companions stood in a corner and
other sat beside the rear wall of the Di-
ion of Wildlife Resources auditorium,
96 W. North Temple.

industry. As board members responded, he listened, nodding gravely. He was standing directly behind the largest bear, whose mouth was frozen in a ferocious snarl.

Later, "The big black bear got up and portrayed himself as a bear and simply indicated, 'I don't know why you have to shoot me,'" said Steve Phillips, informa-

animal growled.

Another bruin told the Deseret News, "We'd like to show our presence. ... These decisions affect the fate of beings that can't even attend the meeting." She said members of her group, the Utah Coalition for Animals, are against baiting and hunting bears, or killing wildlife for fun or

said.

When wildlife decisions are made without any representation for the animals, Ms. Bear added, it overlooks their needs and rights.

"It seems that in our present political system we don't have a way to represent wildlife," she added.

Tax initiative defeat is UTA win for Springville

Bus link: Hourly service planned, as are commuter runs to and from S.L.

By Jeff Vice
Deseret News staff writer

SPRINGVILLE — Residents may be going farther, and more often, on Utah Transit Authority buses than they originally anticipated after Tuesday night's general election results.

Springville voters approved the city's annexation into the service almost 3-to-1, ending a two-year struggle by city officials to even get the issue on the ballot. The city will now devote one-quarter of 1 percent of its sales tax revenues toward funding the service.

However, the failure of Initiative A — the removal of the state's sales tax on food — on a statewide level means the city will have at least $3,000 in additional sales tax revenues for UTA funding, and the service will begin phasing in its Springville Transit Plan B, perhaps even as early as spring 1991, according to Transit Planner Kip Billings.

The plan includes not only hourly downtown service Monday through Friday but also limited downtown service on Saturday and a single extension of UTA's Provo/Salt Lake commuter route, he said.

"Without those revenues, the additional service would not have been available, at least not this soon. It also means we can start considering other additional services for the future."

The hourly downtown service will be an extension of the current Provo/Orem Route 8, which serves the East Bay Industrial Park, Brigham Young University, University Mall and Utah Valley Regional Medical Center, as well as bringing patrons near other downtown sites like Utah Valley Regional Medical Center.

Buses will run between 7 a.m. and 5 p.m. in the line, taking I-15 south to Exit 265 onto U-75 to the city's industrial park and along Main Street, 400 East and 900 and 400 South before returning the same

Please see BUS on B2

graduate. Councilwoman [illegible]ora Smith noted that the Thomas L. Martin Building at BYU is named for Martin's grandfather. The senior Thomas Martin is a former BYU dean of science.

A resolution to transfer $380,000 to correct an erosion problem at the East Bay Golf Course was delayed for two weeks to allow time for public comment.

At the work meeting immediately before the council meeting, Mayor Joe Jenkins said work will begin at the golf course immediately from funds in Parks and Recreation's budget. Because of the time of year, Jenkins said it is prudent to begin work as soon as possible.

The low bid for the golf course renovation was $358,000 from H.E. Davis and the landscaping firm Fredricos.

Utah beef going to Taiwan

Utah beef will be showing up soon on some dinner tables in Taiwan.

Meat buyers there have ordered Utah beef from the E.A. Miller packing plant in Hyrum, Cache County, according to Jim Bradley, director of marketing and promotion for the Utah Department of Agriculture.

Bradley said he E.A. Miller officials visited Taiwan in October. The sales group also visited China, and Bradley visited Hong Kong.

"In Taiwan, about 60 beef importers turned out to inspect Utah beef and learn how it can be used in their recipes," Bradley said.

"E.A. Miller has been shipping about $10 million worth of beef annually and about $25 million worth of cattle hides annually to the Pacific Rim through an Asiatic trading company.

Bradley said the trade mission also sought export markets for Utah brine shrimp, alfalfa, processed meat and other Utah products.

Question: How do you feel about the surprise win for Orton?



Joi Ivie, Orem
Voted for Bill Orton

"I felt he was much more honest and intelligent on his views. He didn't seem to backlash and (use) such dirty politics against his opponent. He had more integrity about what he wanted to do." Still, Ivie, who decided early in the campaign to vote for Orton, was surprised he actually won. "This is such a dominant Republican area, where people tend not to have open minds and tend to vote straight Republican."



Neil Sorensen, Spanish Fork
Voted for Bill Orton

"It was because when things came out that Snow had been involved with — his alleged underhanded dealings — he denied it. He went on denying it and then came back and said (he was involved.) Basically I lost trust in him. If he had admitted it and said it was a mistake from the start I probably would have voted for him." Sorensen's message for Orton: "Balance the budget."



Louisa Slater, Provo
Voted for Karl Snow

"I usually vote Republican unless there is a real strong reason I don't like the candidate. I guess I'm a real true Republican. I did not like the ad (comparing Snow's family to Orton's) ... that turned me off, but I still voted Republican."



Jud Harward, Springville
Voted for Bill Orton

"Snow had such a bad image. He had all this stuff dredged up in his past and business dealings. I didn't know Orton from diddley nothing. For me, it was a matter of voting against a guy rather than for a guy." Harward said he'd decided how to vote early on in the campaign and was not influenced by the last-minute flurry of advertisements.



Peter Jeppsen, Spanish Fork
Voted for Robert Smith (American Party)

"I voted against those two (Snow and Orton) by voting for the American Party candidate. I didn't know him (Smith) from Adam. Every one of their campaigns (Snow's and Orton's) were so negative, that was my only recourse. I wish I could have written in my own name."



Mike Adams, Provo
Voted for Bill Orton

"I was outraged by that ad they put in the (Utah County) Journal. I'm divorced, so I took that to mean just because you're not with a big family and a wife you don't have values. I held resentment for Snow back for things he did in the primary." The ad was the deciding factor in how he voted, Adams said.

corrections clarifications

The cutline on Wednesday's story about the new 4th District Judicial Center identified the speaker as 4th Circuit Judge Patrick McGuire. The man in the photo is Gary Golightly, Provo City economic development director.

• • • • •

Due to misinformation given the Deseret News, certain details of a Nov. 1 traffic accident were transposed in a series of stories printed by the paper in recent days. The stories incorrectly stated that Robert K. Mangum, North Salt Lake, 38, was attempting to turn left at 1180 N. Beck Street when he collided with a vehicle driven by Alfred Midget, Brigham City, 79. Midget was actually the driver of the vehicle turning left. Midget died Nov. 5 of injuries sustained in the accident. The Deseret News regrets any confusion.

N000072

le, etc.



PHOTOGRAPH JERRY SILVER

-day trip to watch as an otter is released on Green River.

se otters

...ave raised ...tem on the ...eslie Price, ...rrish Ches... Mistr Gar... of the Utah ... one of the ...d a veter... ...t with eff... ...servoir to ...t receivers ...that have ...and spon... ...a Pearson ...who are ...and who

odore liary

...commu... ...ver who ...the first ...northern ...ternal ...operate ...assistance ...am also ...and out... ...national

.C. ce

...elected ...Confer...

...ildred ...erly a ...High ...in the ...through ...ess on

national service when participants assume the roles of representatives debating lobbying and voting on volunteer service legislation.

The three will be among 350 high school students from across the nation who have demonstrated academic achievement, leadership and citizenship a conference spokesman said. The Congressional Youth Leadership Council, a non-profit educational organization that recognizes outstanding youth, sponsors the conference.

2 Tooele Army Depot employees win award for money-saving idea

TOOELE ARMY DEPOT — Two Tooele Army Depot employees will share a $5,846 cash award for a suggestion that is expected to save the government about $490,000.

Kenneth L. Johnson and Mark L. Crump, employees of the depot's Turbine Engine Component Branch, Fuel Section, Items Division, developed a procedure for repairing fuel control units on 2½-ton and five-ton trucks.

Vehicle drivers were experiencing starting difficulties and engine surging due to bent tangs that control the fuel injection pump.

Johnson and Crump developed a procedure that consisted of removing the tangs, straightening them and cleaning the inside surfaces of the control units which house the tangs.

The cash award comes from the Army Ideas for Excellence Program. Johnson and Crump were also named second runners-up in the National Association of Suggestion Systems annual Suggester of the Year contest.

S.L. County Public Works director honored by national association

Salt Lake County Public Works Director R. Terry Holzworth was honored recently by the National Association of Schools of Public Affairs and Administration.

Holzworth is this year's recipient of a national honorary membership in Pi Alpha Alpha, the national honor society for public administration. Holzworth earned a master of public administration degree in the University of Utah executive MPA program and also holds a bachelor of science degree in civil engineering from Montana State University.

Holzworth was named to the American Public Works Association's "Top Ten Public Works Leaders" of the year in 1985 after earning recognition from his peers in public works for his flood control management during flooding in Utah in 1983.

Pollster astounded at extent of crossover by GOP voters

■ Exit polls: Dan Jones reports that 40% of Republicans voted for Orton. He says ad was 'devastating' to Snow.

By Bob Bernick Jr.
Deseret News political editor

Republicans voted for Democrats on Tuesday in astounding numbers, says Deseret News/KSL-TV pollster Dan Jones, who many recognize as the premiere pollster in the state.

"My exit polling shows that 40 percent of the Republicans voted for Bill Orton in the 3rd District — that's cause for a full-scale investigation, a purge," Jones jokingly told an audience at the University of Utah's Hinckley Institute of Politics Wednesday.



CAMPAIGN '90

Throwing out statistic after statistic, Jones gave numerous examples of Republicans stepping over their party lines and voting for Democrats. Even races where Republicans won, they won by margins much smaller than anticipated. "Twenty-seven percent of those who said they're strong Republicans voted for Wayne Owens. You saw that kind of voting all over," Jones said.

The Democratic Owens beat his GOP challenger, Genevieve Atwood, 58 percent to 40 percent.

Polling for the newspaper and TV station Monday through Thursday of last week, Jones failed to detect "a groundswell of Democratic support." He says his numbers were good at the time, but the swell rose late and swept over much of the state — especially the 3rd Congressional District where the Democrat Orton — trailing by 10 percentage points a week ago — rallied to crush Republican Karl Snow by 21 percentage points — 58 percent to 37 percent — in Tuesday's election.

Jones gives three reasons for Snow's unexpected defeat. "One was that ad, devastating. Second, John Harmer's people (Harmer, an arch-conservative, was defeated by Snow in the GOP primary) worked and voted against Snow. Three, there was a major protest vote down there."

Jones refers to a full-page advertisement that ran in the Utah County Journal — a free tabloid newspaper — delivered to 68,000 Utah County homes on Sunday. The ad showed Snow with his wife and six children. It also showed Orton, who is not married, by himself.

The ad, paid for by the State Republican Party (whose leaders said they didn't know the content before and found it offensive) compared Snow's family values with Orton's, insinuating that because Orton isn't married he doesn't share 3rd District family values. A huge outcry ensued, and Snow — who says he wasn't responsible for the ad — apologized. But the ad apparently was the straw that broke the voters' backs — tired of the negative tone of the campaign, many Republicans voted against their own party's candidate, Jones said.

"Fifty-eight percent of the LDS women voted for Orton. Half of all those who consider themselves very conservative voted for him. It was something."

About 55 percent of registered voters turned out statewide, a pretty good showing, Jones said.

The Democratic surge was seen throughout the state, he added. "Thirteen percent of the people voted straight Democratic Party line. But only 11 percent voted straight Republican, and usually the straight party Republican vote runs 18 to 20 percent. There was a huge crossover from Republicans to Democrats."

Even though the Democrats fared well — gaining control of the Salt Lake County Commission, re-electing Owens in the 2nd Congressional seat and putting a brief scare into Republican Jim Hansen before re-electing him to his 1st District seat — the 1990 election wasn't a rejection of Republicanism.

"This is still a Republican state," said Jones. Democrats gained only four seats in the Utah House, and Republicans are still in the majority, as they are in the state Senate, where Democrats gained three seats.

"I see the Republicans regrouping for 1992. You'll see a number of new Republican faces then," Jones predicted. Even though they haven't personally told him this, Jones guesses that GOP Gov. Norm Bangerter and Republican Sen. Jake Garn won't seek re-election to their offices. That will open up the party to a new generation of leaders.

"My advice to the Republicans: Don't go through another primary in the 3rd District. It really hurt them this year," said Jones.

Chief of teachers union says U.S. should offer perks for good grades

Associated Press

Students in the United State are less diligent about pursuing their studies because the country offers them no incentive for doing well in school, said Albert Shanker, president of the American Federation of Teachers.

Teenagers in Germany, France, Holland, Great Britain, Australia and other industrialized countries know they must have high test scores to get into college, he said. Those who are not college-bound also understand that good high school grades will lead to a job with future advancements and pay stability.

American students in the 1990s get no such incentive, Shanker said.

"When I was young my mother would say, 'Al, if you don't start doing better in school, you won't get into a good college,'" he explained. "When I tried to tell my children that, they laughed."

Teenagers know that while poor grades won't get them into the nation's most prestigious institutions, there are colleges and universities that will accept them, the education leader said.

Shanker spoke at the University of Utah's Hinckley Institute of Politics Wednesday.

The AFT is a teachers union that represents educators in both public and higher education across the country.

Shanker suggested that students who do not meet certain testing standards be denied federal loans or grants.

He suggested offering tax incentives to employers who hire 18- and 19-year-olds who may not want to go to college, but have graduated from high school with good grades.

Companies refusing to participate in these programs would pay an additional tax to the government.

"Every other industrialized country does that," Shanker said.

Springdale hears calls for ousting mayor

SPRINGDALE, Washington County (AP) — Within the first hour of a tumultuous Springdale Town Council session, there was talk about impeaching the mayor, the Planning Commission chairwoman quit, and the sheriff threatened to close the meeting.

Mayor Bob Ralston told the Thursday night meeting that bumper stickers urging his removal were anonymously distributed around town and placed on cars and the council to charge the mayor with official misconduct.

"Failing action by this board, I will personally request action from the attorney general of the state of Utah and I will actively seek support among citizens of Springdale to have Mayor Ralston removed from office by whatever means the law provides," she said.

Excell's action stems from the Oct. 31 ...

N000073

Results show Snow lost big in Utah County

By Pat Birkedahl
Deseret News staff writer

PROVO — An analysis of Tuesday's election results shows Republican Karl Snow took a beating in almost every voting district in Utah County, as well as losing 11 of the 13 counties in the 3rd Congressional District.

In winning Utah County, Democratic candidate Bill Orton topped Republican Karl Snow in 123 of the 144 voting districts or 85 percent.

Snow carried only Daggett and Uintah counties. The other 11 counties went to Orton.

Voter turnout was considered heavy for an off year in Utah County, according to the Utah County Elections Office. Final but unofficial counts in Utah County record 57,214 people voted from a registered-voter pool of 105,854 — a 54 percent turnout.

With 58 percent of the total vote, Orton didn't win by the same margins enjoyed by retiring Republican Howard C. Nielson, who represented the 3rd District for four terms. Nielson won 77 percent of the vote during his first election in 1982. In 1986, he won with 67 percent of the vote.

Orton's largest win came in traditionally Democratic Carbon County, where he won 80 percent of the vote, to Snow's 18 percent. The two third-party candidates won the remaining 2 percent.

The county showing the most support for Snow was Uintah County, where Snow carried 55 percent of the vote. Daggett County was considerably closer with Snow winning 51 percent and Orton 47 percent.

In Grand and San Juan counties, Orton passed Snow by only two percentage points.

In Utah County, Orton won 55.5 percent of the vote, compared with 37 percent for Snow and 7 percent for third-party candidates.

Four of Orem's 44 voting districts went for Snow as did 13 of Provo's 42 districts. In addition, Snow carried one voting district in American Fork, Alpine and Spanish Fork, and Vineyard.

The districts Snow won in Provo were all north of Center Street and all but two were east of University Avenue.

Percent of votes

County	Orton	Snow
Carbon	80	18
Daggett	47	51
Duchesne	66	32
Emery	64	33
Grand	49	47
Salt Lake	61	34
San Juan	49	47
Sanpete	55	40
Sevier	53	44
Summit	62	34
Uintah	42	55
Utah	55.5	37
Wasatch	60.5	37

Note: Totals don't equal 100 percent because of third-party candidates

Nebo voters send a
Our kids' education i



JIM RAYBURN

Like most Utah County citizens, we here at the Deseret News Utah County Bureau were surprised at Bill Orton's stunning upset of Karl Snow.

But that was not the only election result that surprised us.

We, like Nebo School District officials and teachers, are a little perplexed by the results of Tuesday's leeway vote.

Is it not worth about $25 a year to provide a better education for our children? Evidently about 53 percent of Nebo's voters don't think so.

In trying to figure out why voters rejected the leeway I can only think of a few reasons: Voters don't have faith in how the district would spend the money if it had it; those who voted against the leeway don't have children; class size doesn't matter because it's just as easy to baby-sit 30 children as it is 25; and education is not a priority.

No matter what the actual reason, I think Tuesday's leeway rejection sends only one message to Nebo's teachers and administrators — that message being that a large number of Nebo citizens do not consider education a priority.

Well, I think that those who voted against the leeway have their priorities out of place. Just think of all the things you spend $25 on during a year, at least 20 of which are non-essential.

Is it too much to ask that you spend one less night on the town a year? Is that fishing rod you've been eyeing worth more than improving your child's reading ability? And sad, but true, is a night of intoxication more important than more instruction for a child?

And not that I have anything against the Utah Transit Authority, but I find it hard to believe that voters in Springville find a bus ride to Provo more important than a better education for their children. After all, both come at about the same annual cost.

Because 6,380 Nebo citizens are not willing to sacrifice one of life's pleasures, students in the district will now be at a disadvantage. Almost every student throughout the state will receive more teacher attention than those at-

DE
NE

UTA

PHONE
News Bu
374-1162

Circulati
1-800-66

tending scho

Nebo, in ar
ment of beir
and straight
that received
in the legisla

Instead of
other funds
to the origina
away from t
they do not

But the de
life in the di
operating on
ratios and wi
even though
made the rig

I'm not sur
districts that
high morale
will have tea
few more toy

What Nebo
that loophole

(Jim Rayburn, Sp

UTAH COUNTY

MOVIES

For a complete review of each new movie, watch for Christopher Hicks' reviews in the Deseret News Today section. For minireviews of each film playing, see Hicks' "On the Screen" column in each Friday's Weekend section.

For your convenience, each movie listed below also carries Hicks' star rating. The key to his evaluations is: ★★★★ — excellent; ★★★ — good; ★★ — fair; ★ — poor; and TURKEY.

The guide to the content rating assigned by the Classification and Rating Administration of the Motion Picture Association of America is: G — general audiences; PG — parental guidance; PG-13 — some material may be inappropriate for children under 13; and R — restricted, no one under 17 admitted without an adult; NC-17 — no children under 17 admitted.

Provo

Academy, 56 N. University Ave., 373-4470. **"Avalon,"** ★★★★, rated PG (violence, profanity), 7:15 and 9:45 p.m.; Sunday matinees, 2:15 and 4:45 p.m.

Central Square, 175 N. 200 West, 374-6061. **"Memphis Belle,"** ★★★, rated PG-13, 7:15 and 9:45 p.m.; Sunday matinees, 1, 3, 5 p.m.; **"Sibling Rivalry,"** ★½, rated PG-13 (sex, vulgarity, profanity, gore), 7:30 and 9:30 p.m.; Sunday matinees, 3:30, 5:30 p.m.; **"White Palace,"** ★★, rated R (sex, nudity, profanity, vulgarity), 7:30 and 9:45 p.m.; Sunday matinees at 1, 3, 5 p.m.; Stephen King's **"Graveyard Shift,"** TURKEY, rated R (violence, profanity), 7:45 and 9:45 p.m.; Sunday matinees, 1:45, 3:45, 5:45 p.m.

Movies 8, 2424 University Parkway, 375-5667. **"The Jungle Book,"** ★★★★, rated G, 12:20, 2, 3:35, 5:15, 7 and 9 p.m.; **"Young Guns II,"** ★★, rated PG-13, (though more in R territory; violence, sex, nudity, profanity, vulgarity), 12:40, 2:50, 4:55, 7:10 and 9:15 p.m. Friday and Saturday late show at 11:30 p.m.; **"Dick Tracy,"** ★★★, rated PG (violence, sexual innuendo), 12:15, 2:30, 4:45, 7:10 and 9:20 p.m.; **"Darkman,"** ★★★, rated R (violence, profanity), 12:30, 2:45, 5, 7:15 and 9:30 p.m.; **"Days of Thunder,"** ★★½, rated PG-13 (violence, sex, nudity, profanity), 12:25, 2:55, 5:20, 7:40 and 10:05 p.m.; **"Air America,"** ★½, rated R (violence, profanity, vulgarity, drugs), 12:05, 2:35, 5:05, 7:35 and 10:05 p.m.; **"Narrow Margin,"** ★★, rated R (violence, profanity), 12:45, 3, 5:15, 7:30 and 9:45 p.m.; **"Death Warrant,"** ★½, rated R (violence, sex, nudity, profanity, vulgarity), 12:10, 3, 5:15, 7:30 and 9:45 p.m.

Orem

University 4 Cinemas, 959 S. 700 East, 224-6622. **"Ghost,"** ★★, rated PG-13 (violence, sex, partial nudity, profanity, vulgarity), 7 and 9:45 p.m. Sunday matinees at 1:40 and 4:15 p.m.; **"Pacific Heights,"** ★★★, rated R (violence, sex, nudity, profanity), 7:20 and 9:30 p.m. Sunday matinees at 2:30 and 4:40 p.m.; **"Quigley Down Under,"** ★★★, rated PG-13 (violence, profanity, sex), 7:10 and 9:40 p.m. Sunday matinees at 2 and 4:30 p.m.; **"Jacob's Ladder,"** ★★½, rated R, 7:15 and 9:45 p.m. Sunday matinees at 1:50 and 4:10 p.m.

Carillon Square, 309 E. 1300 South, 224-5112. **"Mr. Destiny,"** ★★½, rated PG-13 (profanity, violence, vulgarity, sex), 7 and 9:30 p.m.; 2 and 4:30 p.m. matinees Sunday; **"Marked for Death,"** ★½, rated R (violence, profanity), 7:15 and 9:15 p.m.; Sunday matinees, 1:30, 3:15, 5:15 p.m.; double feature: **"Sonny Boy"** rated R, 7:15 p.m., Saturday and Sunday matinees at 2 p.m. and **"Texasville,"** rated R, 9:15 p.m.; Sunday matinees at 4:30 p.m.; double feature: **"Postcards From the Edge,"** ★★½, rated R, (violence, sex, profanity, brief nudity, drugs), 7 p.m.; Sunday matinees at 2 p.m., and **"Flatliners,"** ★★★, rated R (violence, sex, nudity, profanity, vulgarity), 9:15 p.m.; Sunday matinees at 4:15 p.m.

SCERA Theater, 745 S. State, 225-2560. **"Fantasia,"** ★★★★, rated G, 7 and 9:30 p.m. Closed Sunday.

Springville

Villa Theater, 254 S. Main, 489-3088. **"Ducktales: The Movie — Treasure Of The Lost Lamp,"** ★★½, rated G, 7 p.m.; **"Young Guns II,"** ★★, rated PG-13 (though more in R territory; violence, sex, nudity, profanity, vulgarity), 9 p.m. Closed Sunday.

American Fork

Towne Cinema, 120 W. Main, 756-3181. **"The Jungle Book,"** ★★★★, rated G, 7 p.m.; **"Young Guns II,"** ★★, rated PG-13 (though more in R territory; violence, sex, nudity, profanity, vulgarity), 9:15 p.m.; **"Ducktales: The Movie — Treasure Of The Lost Lamp,"** ★★½, rated G, 7 p.m.; **"Dick Tracy,"** ★★★, rated PG (violence, sexual innuendo), 9:15 p.m. Closed Sunday.

Payson

Huish, 98 W. Utah Ave., 465-2451. **"Ghost,"** ★★, rated PG-13 (violence, sex, partial nudity, profanity, vulgarity), 7 and 9:15 p.m. Closed Sunday.

Pleasant Grove

Alhambra, 20 S. Main, 785-0827. **"Ducktales: The Movie — Treasure Of The Lost Lamp,"** ★★½, rated G, 7 p.m.; **"Young Guns II,"** ★★, rated PG-13 (though more in R territory; violence, sex, nudity, profanity, vulgarity), 9 p.m. Closed Sunday.

FINAL WEEK FOR PARK CITY
DISCOUNT COUPONS AND SEASON PASSES.
AVAILABLE AT THE SPORTSCASTLE & ZCMI LOCATIONS.

THE RIGHT PA
AND WALLCOVERING
ANY ROOM FI

KWAL•HOWELLS IS T
Paint and Wallcovering

Tired of being a prisoner to the same old drab walls? Let our professionals show you how to set your rooms free with a new coat of paint, wallcoverings and window treatments from Kwal-Howells.

DECORATOR'S SUPREME
FLAT LATEX
• Our finest quality interior latex flat
• Superior hiding
• Soft bar washable look
Sugg. Retail $20.60
SALE PRICE $10.95* GAL

ACCUTONE

9704383062

DESERET NEWS

SU

141ST YEAR — No. 147 SALT LAKE CITY, UTAH THURSDAY, NOVEMBER 8, 1990

Orton's victory gets national attention

■ Upset winner: Reporters beg Utahn for interviews.

By Lee Davidson
Deseret News Washington Bureau chief

CAMPAIGN '90

Until Tuesday, Congressman-elect Bill Orton couldn't get most officials at the Democratic Congressional Campaign Committee in Washington to even return his phone calls. He also had to fight for any attention from the press.

But the day after Orton pulled off one of the biggest election upsets in the nation, the campaign committee was calling him to say Democratic leaders all want to meet him now. And instead of Orton begging local reporters for coverage, reporters lined up begging him for interviews.

"I haven't heard from the networks or the national press, though, except for one reporter from the Washington Post. They probably saw the results, figured they had to be wrong and expected to see a correction the next day," Orton said. In fact, CBS indeed had checked with national Democratic leaders to see if results had been reversed.

One of the people most happy to eat his earlier predictions of doom for Orton was the committee's political director, Doug Sosnick.

"I met with Orton several weeks ago for an hour here in Washington. I remember telling him, 'You're bright, you're a good candidate, you're working hard. But let's face it. There's no way you're going to win in *that* district,'" Sosnick said. The party in turn gave Orton little help, figuring it was a lost cause. When Sosnick called Orton Wednesday, Orton greeted him saying, "I told you so — I've been dying to say that to somebody."

Sosnick told the Deseret News that Orton's win caused the most glee among Democrats of any race in the nation. "I mean, it's the most Republican district in the nation. And not only did Orton win, he won big. He certainly got plenty of attention here last night. He stood out more than anyone."

Sosnick said all top Democrats now want to meet Orton personally and find out how he pulled off the win — which could help tax lawyer Orton lobby for the assignment he wants on the tax-writing Ways and Means Committee.

But Orton said, "Funny, in my visits to Washington, I couldn't get meetings with those people before."

Please see ORTON on A2

On the Inside

- Roundup of voting in the West/A2
- U.S. turnout hits 50-year low/A11
- Nielson accuses anti-Snow group of unfair election tactics/B1
- Street reaction to Orton win/B1
- Deseret News poll is rounded by Republican crossover/B2

Utah Demos take delight in flexing new muscles

■ Victories: Party chief sets his sights on governor's seat, '92 U.S. Senate race and redistricting plans.

By Will Grey
Deseret News staff writer

Utah Democratic leaders were openly jubilant at a Thursday press conference called to showcase the Democratic element of Utah's congressional delegation — 2nd District Rep. Wayne Owens, who won an easier than ex-





Milestone: Ted Danson, who plays Sam the bartender, and Kirstie Alley, who plays manager Rebecca Howe, pause at the bar at the Bull & Finch Pub in Boston during a party to celebrate the 200th episode of "Cheers," 8 p.m., Ch. 2.

Thursday

What's happening

TONIGHT: State health officials will meet with West and South Jordan residents to discuss lead levels in the Bingham Creek, West Jordan Middle School, 7 p.m. • BYU Philharmonic Orchestra fall concert, Harris Fine Arts Center, Provo, 7:30 p.m.

TOMORROW: University of Utah's Wind Symphony presents a free concert, Temple Square Assembly Hall, 7:30 p.m. • The BYU Singers and Concert Choir combine for a concert in BYU's de Jong Concert Hall, 7:30 p.m.

TELEVISION: Homer gets a shot at the major leagues — as a mascot — on "The Simpsons," 7 p.m., Ch. 13. (TV listings on C4.)

Inside

Sports



Athlete of month: After a poor game against Oregon, USU back Roger Grant begins barreling through the defenses of Big West opponents. As a result, he's leading that confer-

NNM0075

...but when it came time to judge incumbents holding office, Western voters were kinder, in keeping with a nationwide trend that returned more than 95 percent of incumbents to Congress.

Voters supported the five Western governors seeking re-election, all Democrats. They were Govs. Roy Romer of Colorado, John Waihee of Hawaii, Cecil Andrus of Idaho, Mike Sullivan of Wyoming, and acting Nevada Gov. Bob Miller.

Four U.S. senators seeking re-election coasted to victory: Ted Stevens, R-Alaska; Pete Domenici, R-N.M.; Alan Simpson, R-Wyoming; and Sen. John Baucus, D-Mont.

Even two incumbent senators that appeared vulnerable managed victories. Sen. Daniel Akaka, D-Hawaii, defeated GOP challenger Rep. Pat Saiki. And in Oregon, Republican Sen. Mark Hatfield survived the biggest scare of his Senate career, winning a fifth term over Democrat Harry Lonsdale.

In Washington, first-term Rep. Jo-

Exceptions to the staying power of incumbents were five-term Rep. Denny Smith, R-Ore., who lost to Democrat Mike Kopetski, and Rep. Charles Pashayan Jr., R-Calif., defeated by Democrat Calvin Dooley. Observers say links to the savings-and-loan scandals contributed to both losses.

Wilson's win in California was not the only GOP success. The party retained two Western seats where its senators were retiring: Rep. Hank Brown beat Democrat Josie Heath in Colorado, and Rep. Larry Craig of Idaho won over Democrat Ron Twilegar.

But Democrats made inroads, too. In Idaho, Democrat Larry Laroceo filled the seat vacated by Craig. And in Utah, the House seat held by retiring GOP Rep. Howard Nielson went to Democrat Bill Orton, making it the first time since 1974 that Utah has had more than one Democrat among its three congressmen.

Some blamed Republican slides on anti-tax sentiment. But few voters

with 99 percent of 1.04 million votes counted, and about 7,000 votes went to write-in candidates. A state constitutional amendment requires runoffs in races in which no candidate receives a majority of the votes, but no laws are in place to implement a runoff. It could be next spring before a runoff is completed.

• **ALASKANS** voted to change the nation's most liberal marijuana law, making private use of pot a crime again.

• **OREGONIANS** defeated a measure to give tax breaks to parents who send their children to private schools or teach them at home. They also rejected, 2 to 1, a restrictive anti-abortion law.

• **NEVADA VOTERS** approved a measure to protect abortion rights. It prohibits any change in the state's abortion law except by vote of the people.

■ *David Foster is the AP's Northwest regional reporter, based in Seattle.*

The infamous "Dewey Defeats Truman" headline in the Chicago Tribune was not the only time a newspaper blew it as the deadline neared on election night. In 1916, The New York Sun said "Hughes Elected by Narrow Margin." Woodrow Wilson of course beat Hughes.

ORTON

Continued from A1

Both Orton and the national party hoped his victory would encourage more Democrats to have courage to run in even heavily Republican areas.

Bosnick said, "This taught again that people vote based on local issues. We had a strong candidate, they had a weak one. In the modern era of using the media to go directly to the public, party labels don't mean much."

Orton also had national Republican leaders shaking their heads.

"Even though Utah is among the most Republican states in presidential election, Utahns are very independent," said David DuBose, deputy press secretary for the National Republican Congressional Committee.

"Obviously, we are disappointed. ... we are beginning today to do all we can to retake the 3rd District in two years. It is a top priority," DuBose said.

As Orton enjoyed his win — and the attention — he immediately turned his attention to hiring a staff, opening an office, lobbying for a committee spot and finding an apartment in Washington.

He said he had been offered help in organizing an office by fellow Democratic Rep. Wayne Owens, former Democratic Rep. Gunn McKay and even Sen. Jake Garn, R-Utah.

He plans to travel to Washington next week between tax law seminars he is scheduled to give in New York City and Orlando, Fla., and hopes then to meet with Democratic leaders then.

Orton also has to plan how to handle the nearly 50 percent salary cut he'll take by winning his election. Disclosure forms showed he earned about $250,000 last year, and he will be paid about $120,000 a year with a new raise for Congress that takes effect Jan. 1.

"I'm obviously not running for the money," he said. "I'm not sure I can afford being elected to Congress ... but members of Congress are paid a good salary, and I certainly can live on it."

DEMOS

Continued from A1

...is involved is worth the effort.

"I think my election will give others (Democrats) the courage to stand and will bring out more candidates," Orton said.

Orton could not resist the opportunity to swipe at pollsters who had him running 10 percentage points behind Republican challenger Karl Rove as late as Sunday. Orton ended up beating Snow by a whopping 58-42 margin Tuesday night. "I'm not happy with the polling locally."

"I think this will make it tougher for the Republicans to move me out of Salt Lake County," Owens said in reference to the upcoming redistricting that will be based on the 1990 census. "We will be ready to fight them (the Republicans) on all fronts."

Billings said preliminary census information indicates the 2nd District will have to add more people. He said rumors indicated Republicans intended to water down Owens' support base by adding more traditional GOP areas in rural eastern Utah to the district.

"I think this takes away any justification for enlarging (by) using areas outside Salt Lake County," Billings said.

Keeping the 2nd District in Salt Lake County would mean trimming portions of the 3rd District that reach into the southwestern corner of the county out of Orton's support base. Orton said he did not see that as a significant problem since the 3rd District includes a more conservative and rural profile than the 2nd District anyway.

"I'm the dean of Utah's Democratic congressional delegation and now I've got something to be dean of," Owens quipped as he pledged to work closely with Orton starting in January.

Orton conceded that the different nature of the two districts, one metropolitan and the other mostly rural, is likely to raise some areas of conflict. But he believes the two can work effectively together on most issues.

DUMP

Continued from A1

of trash, surrounded by a blizzard of crying seagulls.

Because recycling can be a big-bucks enterprise, does that mean that the recycling citizen will earn some cash for filling up the bin with aluminum cans? Actually, no.

In fact, Bauer is proposing an increase in the present fee of $2 per pickup truckload to $5 per pickup load. For commercial material, he would like to see the price raised from $6 to $7.75.

So why should anybody want to use the new recycling center? Bauer says anyone who wants to should take their cans to commercial recycling center. "Our main concern is the minimize the amount of material that is being buried at the current time. Of that material that is going to be brought to the landfill anyway, our hope with this facility is to divert some of that," he said.

The landfill now has an estimated 24 years' worth of space left. The recycling center is supposed to extend it, postponing the time when Salt Lake Valley has a garbage crisis.

And the landfill operators hope that residents will be public-spirited enough to help out.

223 ingredients banned in drugs

WASHINGTON (AP) — The Food and Drug Administration has banned 223 ingredients in over-the-counter drugs on grounds manufacturers have offered no proof they were effective for problems they were supposed to treat.

The ingredients range from pine tar in dandruff fighters to dehydrated garlic in digestive aids to aspirin in medications for external use.

The FDA action Wednesday does not ban the ingredients entirely, just in certain uses. For example, aspirin may still be used in products for pain relief taken internally, because it has been shown to be effective pain reliever.

The over-the-counter drug industry said most of the ingredients already had been withdrawn, but some familiar drugstore and supermarket products will be affected.

For example, Tegrin Lotion, sold for use against psoriasis, may no longer contain allantoin. Also Packers shampoo and soap may not contain pine tar, and Donnagel, used to treat diarrhea, may no longer include atropine sulfate, hyoscyamine sulfate and scopolamine hydrobromide.

WALLPAPER WAREHOUSE &

FOREVER CHRISTM

COLORADO SPRUCE
6 Ft. Reg. List $119.99
SALE
59.99
7 ft. 89.99
10 ft. 229.99
12 ft. 319.99

GIVE A FOREVER GIF
6 FT. SILK FICUS
Hand crafted on natural wood trunks
49.99
Don't be misled with a cheaper price. Shop and compare.

SPECIAL SAVINGS ON BORDERS & WALLCOVERINGS
BUY 1 ROLL RECEIVE 2 ROLLS
FREE
Thousands of Roll's To Choose From

FOREVER CHRISTMAS TREE FEATURE:
- Heavy duty all metal st with 4 leg supports.
- Steel construction trunk shaft.
- Factory attached metal hinged branches.
- One way natural needle construction.
- Hexagonal connection sections (6 1/2 & 7 1/2

Sold Exclusively at Wallpaper Warehouse

SILVER BLUE SPRUCE
With Cones
List 314.99
SALE
219.99
6 1/2 ft. 189.99
10 ft. 349.99

SILK POINSETTIAS
Potted and Wrapped
From 5.99 To 29.9

WALLPAPER WAREHOUSE FOREVER PLANTS
Mon. & Fri. 9:00-9:00
Tues.-Thurs. 9:00-7:30
Sat. 9:00-6:00
Sun. 11:00-5:00

East Side
21st So. 21st East 219
485-4618
Provo
1700 No. State 351
375-2721
(closed Sun.)
Visit Our Ne
6212 So. State, Across fro

N000076

In addition to his experienced background, Kay is a man of integrity. His honesty and sense of what is right will provide the leadership the County Attorney's office needs in the years to come. With Kay Bryson as our next County Attorney, we will have a strong voice for integrity and honesty.

We urge you to vote for Kay Bryson — Utah County Attorney.

Reid M. and Janice H. Hunter
and 20 other parties

Officer for Bryson

Editor:

I am a police officer and have been for the last 25 years. The nature of my job requires that I work with members of the Utah County Attorney's Office on a regular basis.

In the upcoming election, the voters will select a new County Prosecutor. It is difficult for voters to make a decision based on campaign brochures. Because I have almost daily contact with the prosecutors, I would like to give my opinion as to whom I would like to see elected.

Kay Bryson has been with the County Attorney's Office for about three years and I have found him to be a dedicated and efficient attorney. He is an honest and caring person, both as a prosecutor, and as a family man. He does an excellent job now, and will continue to do an excellent job if elected because he has the respect of those he works with.

I do not know Mr. Collins personally. I have heard him admit that he has never prosecuted a felony case in his career. The vast majority of cases the County Attorney's Office handle are felony cases. With the work load that their office handles, there is not enough time for a beginner to be the leader.

I would encourage all voters, if you have any questions, to call each candidate, ask them specific questions about their qualifications and reasons for running for this office. Please be informed when you go to the polls. It is important to all of us.

Gerald Nielsen
Orem

What about guns?

An open letter of inquiry to Karl Snow and Bill Orton.

As I was talking with an acquaintance of Karl Snow, he made the remark that Karl Snow "doesn't hunt, and he doesn't think

head out the window and yell ... "I'm mad as hell and I'm not going to take it anymore."

Lucy Metcalf
Heber City

The consistent story

Editor:

Last week, Karl Snow lashed out at witnesses who testified that he lied about his involvement in the Global Oil scheme. One of these was Percy Kalt. As a neighbor of Percy's and a member of his LDS ward, I want to tell you what kind of a man Percy is.

Percy is one of the most gentle, unassuming people I know. He is the stereotypical sensitive and quiet musician, and he is beloved by everyone in his ward and neighborhood.

Hit with serious financial problems, and victimization in a fraud scheme all within months of each other, Percy reacted irrationally. But he never intended to hurt anyone, and he has admitted his mistakes and made reparations. Those who have not walked such a path cannot appreciate the emotional pressures he endured.

In recent months, powerful people pressured Percy to remain silent. He felt isolated and thought that no one would listen anyway. During this period, he refused to tell his story to the press. But now that he has come forward, I can assure you he is telling the truth. He told me the story in 1985, — including Karl Snow's involvement — shortly after the events took place, and his story has remained consistent through the years. If you study their respective statements, you must see that it is Karl Snow's explanations that are inconsistent, not Percy Kalt's.

Karl Snow's close relationship with a stock felon combined with his persistence in lying about that relationship make him unfit to represent this district.

Ken Murdock
Provo

Throw them out

Editor:

Will Rogers once said, "The only difference between death and taxes is death doesn't get worse every time Congress meets."

I say we throw all the scoundrels out.

Keith R. Hooker, M.D., Inc.
Provo

N000077

9704383068 4

27043830685

Inside Today:
Trade representative says Utah technology has European market
Page B1

World
India gets new prime minister
Page A5

Lifestyle
Homeless form a 'grate society'
Page B7

Sports
Jazz get back on track; beat Spurs
Page C1

The Daily Herald

Friday, November 9, 1990 — Central Utah's Newspaper for 116 Years — Issue No. 101, Provo, Utah — 50 Cents

Germany marks one year since wall fell

BERLIN (AP) — Germany today marked a year since the opening of the Berlin Wall, a joyful anniversary interlocked with a bitter one: the night in 1938 when breaking glass heralded the Holocaust, war and German partition.

Officials of newly united Germany also warmly welcomed Mikhail S. Gorbachev, who arrived in Bonn today to a 27-man military honor guard.

The Soviet president's visit is highly symbolic since his reforms helped collapse the Iron Curtain and open the Berlin Wall.

He was to sign a 20-year German-Soviet non-aggression treaty and was expected to receive financial aid for his nation's troubled economy.

Commemorations of the wall's opening were to include the unveiling of a monument at one of the former crossing points between East and West Berlin, and a ceremony to honor the more than 200 people killed trying to escape East Germany.

At the same time, Germany's Jewish community held memorial ceremonies on the 52nd anniversa-



AP Laserphoto

President Bush looks for a reporter at a briefing Thursday.

U.S. to send half of troops in Europe to Persian Gulf

WASHINGTON (AP) — American military forces in the Persian Gulf will reach up to 430,000 within weeks, nearly doubling existing U.S. firepower in the region and matching Iraq's troop strength in Kuwait.

Defense Secretary Dick Cheney said today half of all American land forces in Europe would be moved to the Persian Gulf. About 200,000 Army troops are stationed in Europe, most in Germany.

Those 100,000 European-based troops would join 230,000 U.S. troops already deployed to the gulf and another 100,000 being sent abroad from U.S. bases. President Bush signed deployment orders for the dramatic new escalation on Thursday.

The scale of the additional U.S. troop deployments is enormous. Once the added forces are in place, America will have more troops in the gulf region than it had in Europe during the Cold War when the perceived enemy was a nuclear superpower. About one-third of the Army's worldwide force will be in the Saudi desert.

Cheney's remarks today to the Conservative Leadership Conference indicated that President Bush intends to have about 430,000 U.S. forces in the gulf area within weeks — equaling the current level of Iraqi troops in and around Kuwait.

"The additional increment will give us the capacity to undertake offensive action should that become necessary," Cheney said.

He suggested in comments to reporters later that Bush's new order means the approximately 230,000 U.S. forces already there will not be rotating back to the United States early next year as Cheney had tentatively planned.

Asked whether the full contingent of American forces in the gulf would be there for the duration of the crisis, Cheney said, "That's correct."

Bush said Thursday in announcing new deployments for Operation Desert Shield that he still hoped to get Iraq out of Kuwait without starting a war. But he said he wanted an "adequate offensive military option" in case United Nations economic sanctions and diplo-

(See GULF, Page A2)

Related story, A5



Nielson: Anti-Snow groups broke laws

From HERALD STAFF and Wire Reports

Charges of unethical practices against two Utah County political

According to FEC spokesman Scott Motley, neither group had registered with the Washington,

N0000078

N000079

The Daily Herald

r 9, 1990 — Central Utah's Newspaper for 116 Years — Issue No. 101, Provo, Utah — 50 Cents



AP Laserphoto

President Bush looks for a reporter at a briefing Thursday.

U.S. to send half of troops in Europe to Persian Gulf

WASHINGTON (AP) — American military forces in the Persian Gulf will reach up to 430,000 within weeks, nearly doubling existing U.S. firepower in the region and matching Iraq's troop strength in Kuwait.

Defense Secretary Dick Cheney said today half of all American land forces in Europe would be moved to the Persian Gulf. About 200,000 Army troops are stationed in Europe, most in Germany.

Those 100,000 European-based troops would join 230,000 U.S. troops already deployed to the gulf and another 100,000 being sent abroad from U.S. bases. President Bush signed deployment orders for the dramatic new escalation on Thursday.

The scale of the additional U.S. troop deployments is enormous. Once the added forces are in place, America will have more troops in the gulf region than it had in Europe during the Cold War when the perceived enemy was a nuclear superpower. About one-third of the Army's worldwide force will be in the Saudi desert.

Cheney's remarks today to the Conservative Leadership Conference indicated that President Bush intends to have about 430,000 U.S. forces in the gulf area within weeks — equaling the current level of Iraqi troops in and around Kuwait.

"The additional increment will give us the capacity to undertake offensive action should that become necessary," Cheney said.

He suggested in comments to reporters later that Bush's new order means the approximately 230,000 U.S. forces already there will not be rotating back to the United States early next year as Cheney had tentatively planned.

Asked whether the full contingent of American forces in the gulf would be there for the duration of the crisis, Cheney said, "That's correct."

Bush said Thursday in announcing new deployments for Operation Desert Shield that he still hoped to get Iraq out of Kuwait without starting a war. But he said he wanted an "adequate offensive military option" in case United Nations economic sanctions and diplo-

(See GULF, Page A2)

Related story, A5



John Best photo

U.S. Sen. Jake Garn speaks at the dedication of the Christa McAuliffe Space Center in Pleasant Grove as center founder and director Victor Williamson listens Thursday.

Garn helps dedicate space facility in Pleasant Grove

Christa McAuliffe Space Center features mission simulator

By JOHN KENT
Herald Correspondent

PLEASANT GROVE — U.S. Sen. Jake Garn told a group of business and education leaders and students gathered at the dedication of the Christa McAuliffe Space Education Center Thursday that the new facility is one of the finest in the country.

The center (Christa McAuliffe [illegible] and open-body medical [illegible]

[illegible] of the Voyager Sun[illegible] is packed with realism. An [illegible] of computers, monitors, [illegible] screens and stereo sound [illegible] trainers a realistic feeling [illegible] space travel.

The space center will be completed and open for business by [illegible]. The business of the [illegible] will be to educate [illegible] exciting was about

ers direct the travel experience from mission control in a near by monitor room.

Construction of the Space Center was funded by national and state grants, as well as private businesses. Program director Victor Williamson says, "This is an excellent example of how business and schools can work together to provide an excellent educational experience for students."

Nielson: Anti-Snow groups broke laws

From HERALD STAFF and Wire Reports

Charges of unethical practices against two Utah County political groups were made by retiring Rep. Howard Nielson Thursday.

Nielson claims Utahns for Ethical Government and Republicans for Orton failed to follow election campaign disclosure laws, violated campaign laws and participated in illegal campaigning.

Nielson's allegations follow on the heels of Democrat Bill Orton defeating Republican Karl Snow for Nielson's seat. The upset victory followed bitter primary and general election campaigns in the 3rd Congressional District.

Nielson charged the groups with not reporting independent expenditures made during the final weeks of the congressional race. He alleged that the two groups did not register with the Federal Election Commission and that they put $50,000 to $60,000 into an "illegal campaign."

According to FEC spokesman Scott Moxley, neither group had registered with the Washington, D.C.-based commission as of this morning, and that no formal complaint had been received by the commission against either organization.

Moxley said a group must register as a PAC once it raises or spends $1,000 to influence a federal election. Filing registration forms must occur within 10 days of spending or raising that $1,000.

Also, groups must report any "last-minute spending" on campaigns that occurred between 15 and two days before an election to the commission within 24 hours of the expenditure, he said.

Scott Norton, spokesman for Utahns for Ethical Government (UEG), was processing and filling out forms Thursday afternoon to file with the Federal Elections Commission.

"I think it's sour grapes on the

(See NIELSON, Page A2)

Studdert accepts blame for controversial Snow ad

From HERALD STAFF and Wire Reports

SALT LAKE CITY — The honorary campaign chairman of defeated congressional candidate Karl Snow has acknowledged responsibility for a newspaper ad attacking the marital status of Congressman-elect Bill Orton.

Stephen M. Studdert, a former official in the Reagan and Bush administrations, said in a letter to state Republican Chairman Richard Sneigrove "the buck does stop here."

Copies of the letter were faxed anonymously to The Salt Lake Tribune and The Daily Herald in Provo. (The letter appears on today's Herald opinion page).

Studdert did not immediately return telephone messages left today by The Associated Press at his offices at Studdert Group Ltd. in Salt Lake City.

The controversial ad, which appeared in Sunday's edition of the Utah County Journal, showed a picture of Snow, his wife and six grown children with the caption "Karl Snow and his family."

Next to it was a photo of Orton's face, with the caption "Bill Orton and his family." Orton, 42, is single.

Studdert did not detail in the letter who was involved in the ad's conception and who wrote the copy which implied family values weren't important to the Democratic contender.

"A lot of finger pointing is going on today about the now famous newspaper ad in the 3rd Congressional District," Studdert said in

(See AD, Page A2)

Index

LOS ANGELES (AP) — Cable TV mogul Ted Turner has bought a large opal and diamond ring for actress Jane Fonda, and they apparently will be getting engaged, a Fonda spokeswoman said.

The ring, which Turner bought Tuesday at Tiffany's in Los Angeles, will be presented to Fonda on her Dec. 21 birthday, said Pat Kingsley, a publicist for the Academy Award-winning actress.

Asked if the ring was an engagement ring, Newcomb told The Associated Press: "I guess you could call it that." She described the ring as having an opal between a pair of diamonds.

'Cheers' marks 200th episode

BOSTON (AP) — Ted Danson, Kirstie Alley and other regulars of TV's most famous neighborhood bar celebrated the 200th episode of "Cheers" in the city where a real-life basement tavern inspired the show's Hollywood set.

The cast was honored Thursday at a ceremony outside City Hall as thousands of fans braved chilly weather to greet the TV stars.

"This is overwhelming," said George Wendt, who plays Norm Peterson, "Cheers" heavyweight, beer-swigging barfly, after a noisy welcome by people chanting "Norm, Norm."

Bush said he hoped Iraqi President Saddam Hussein viewed the stepped-up U.S. deployments to the gulf as evidence that the Western and Arab coalition arrayed against him was serious about using military force if diplomatic and economic pressures fail.

"If this movement of force is what convinces him, so much the better," Bush said. He added later, "When he surveys the force that's there ... he will recognize that he is up against just a foe that he can't possibly manage militarily."

"I am concerned that the administration is moving to establish an offensive capacity in advance of a U.N. resolution authorizing offensive action," said Sen. Claiborne Pell, D-R.I., chairman of the Senate Foreign Relations Committee. He said the international trade

(Continued from Page

part of Mr. Nielson and ... Congressmen," Norton said.

UEG calculated that it spent about $12,000 in its campaign efforts, Norton said.

"We're protesting the need to file, but we're doing it anyway," he said. "Enough people have come to us so we decided to do it. Another thing is that we started as an ad hoc committee and the expenditures were minimal at that time, but since then it has become a whole different story. It wasn't until the very end that it became a problem with expenditures and everything."

Norton admits that he and his group has had no experience in this matter and added he was told by state officials that it wasn't necessary to file.

"We can't see any regulation other than not filing in a timely manner that we have broken," he said. Norton does not believe his group is a PAC.

"As a good-government group we have the right to publicize our findings. It is a basic free-speech issue here — as long as we don't endorse one candidate and we did not," he said.

The group, which formed in mid-October, urged residents not to vote for Snow in radio ads, several full-page newspaper ads and a four-page tabloid inserted in community newspapers in Utah County.

According to the FEC, individuals or groups may exercise their right of free speech in federal elections, but if they spend $1,000 or more doing so, they have to report expenditures.

Moxley said the maximum penalty the commission can impose for inadvertent failure to file registrations and disclosure forms is $5,000, or 100 percent of the amount of money involved, whichever is greater.

If the commission finds that such a violation was committed knowingly and willfully, the penalty could be up to $10,000, or 200 percent of the amount of money involved, whichever is greater.

Republicans For Orton, which formed Oct. 19, did not spend more than $1,000 and therefore does not have to file as a Political Action Committee, said the group's secretary, Rose Higa.

Higa will report the group's expenditure of $755 as an in-kind donation, which is allowed by the commission, on Orton's final FEC report.

Anyone can file a complaint with the commission about election violations. Complaints usually take seven to eight months to investigate, Moxley said.

GERMANY:

(Continued from Page A1)

"have never accepted Nov. 9 as a day of commemoration" though it led to the Holocaust.

The mayors of West Berlin and East Berlin, Walter Momper and Tino Schwierzina, said in a joint statement Thursday the two Nov. 9 anniversaries should remind Germans of the need to fight against oppression of minorities.

They called for the public to participate in national affairs as "the best protection against against misuse of state power."

Jochen Feilcke, a member of parliament from Chancellor Helmut Kohl's Christian Democrats party, called "completely erroneous" statements from Communists that former East German officials played a major role in opening the wall.

"Berliners streamed that night to the border crossings and took over the wall at the Brandenburg Gate," he said.

Last week, a report in the newspaper of the former Communist Party, Neues Deutschland, said medium-level East German security officers decided to let the pressing crowds through the wall, fearing border guards would be killed otherwise.

Guenter Schabowski, a member of the then ruling East German Communist Politburo, also said last year the East German government had intended to allow its citizens to travel abroad before the wall opened. Portions of a news conference by Schabowski was planned to be broadcast over loudspeakers late today in the central square in East Berlin.

The Bundesrat, the upper house of Parliament, was to mark the wall anniversary by holding its first meeting in Berlin in 31 years, moving from Bonn, the federal capital.

The two Germanys united Oct. 3 into a country of nearly 80 million people, by far the biggest in Europe. Their leaders pledged repeatedly that the new Germany will not seek to dominate the continent, nor would it forget the Nazi part of its history.

AD:

(Continued from Page A1)

the letter. "... But with leadership comes accountability, and yes, the buck does stop here."

He went on to praise the hundreds of "well-meaning, good-hearted people" involved in the Snow campaign, and said:

"When Republicans lose so badly in a Republican state ... there is plenty of blame to go around. The party is deeply divided and the reasons for the losses by Karl Snow and others are numerous."

Snelgrove confirmed that he received Studdert's letter. He also reaffirmed that the state party paid for the ad and that he did not see the ad before it appeared. The Snow campaign also did not approve the ad, according to spokesman Clark Caras.

A story in the BYU Daily Universe Thursday said Caras claimed to have tried to stop publication of the ad. But a press release from the Utah County Journal received at the Herald this morning said a FAX was received at the Journal offices from Republican headquarters in Salt Lake City, and the ad was prepared as specified on the FAX.

"The information was proofed and approved by Clark Caras on Saturday, November 3, 1990," said the Journal's press release. "Mr. Caras was acting under the direction of Mr. Steve Studdert who wrote the copy and sent the FAX to the Utah County Journal."

Monday morning a check for $900, signed by Richard Snelgrove and Dalene Ellis, was received at the Journal according to the press release.

"The first I saw the ad was on television Monday night, after the horse got out of the barn," Snelgrove said. "I still haven't physically seen a copy in my hands. My first awareness of the text was Monday night, when I saw it glaring at me on the screen. That ad probably cost Snow 5 percent of the vote."

Orton defeated Snow Tuesday in a landslide in the heavily Republican district, 58 percent to 37 percent.

State GOP Executive Director Greg Hopkins said Studdert had contacted him by telephone Nov. 2 to get approval for paying for an ad that "he said was about values."

"He indicated to me that Mr. Snelgrove had approved the ad," Hopkins said.

The executive director said Caras walked into the room at that point and, when told about the ad, said it was too late to get newspaper space.

Hopkins said Studdert called him back Saturday, said he had gotten space in the Journal and asked for the $900 to pay for it.

"I have no knowledge of the process of who got the space, who placed the ad, who wrote the text, who laid it out," Hopkins said.

Studdert's letter to Snelgrove concluded that "what the Republican Party needs now is leadership. Let's congratulate Bill Orton, and let's listen to the voters; they are angry. The people have spoken, the system works. Let's listen — and hear — what they are saying."

Air Pollution

The following information is taken from the Wasatch Front air pollution report compiled by the Utah Bureau of Air Quality. The complete report is available by telephone at 533-6068.

Conditions as of 8 a.m. were as follows:

Residential Areas

UTAH COUNTY	good
Salt Lake	good
Weber	good

Downtown Areas

PROVO	good
Salt Lake	good
Ogden	good

Overall Air Clarity

The air quality for today was good in all areas along the Wasatch Front.

Outlook

Forecast called for an increase in pollution levels with a clearing index of 350.

24-Hour (Index) Highs

North Provo	ox	na
North Provo	co	22
Lindon	pa	40
Provo	co	56

The (Index) Scale

0-50 good air; 51-100 moderate; 101-199 unhealthful; 200-299 very unhealthful; 300 and above hazardous.

Abbreviations

co = carbon monoxide
ox = ozone
so = sulfur dioxide
pa = particulates

Note

The Utah County residential area reading is taken from the Lindon monitoring station.

The State of Utah has identified the following as primary sources of pollutants in Utah County: co = vehicles; ox = vehicles and gas vapors; and pa = heavy industry.

SPACE:

(Continued from Page A1)

Garn said, "I'm impressed not just because of the facility, but because of what it means. This type of program encourages kids in math and sciences. We can't put a price tag on the benefits that will come from this." Garn said American education systems need to put more emphasis on the math and sciences if the United States is going to be a leader in space exploration.

"We need more teachers with an imagination to do things like this. I hope you realize what teachers like Victor and others can do for your children," said Garn.

Luana Searle, Assistant superintendent of the Alpine School District said, "There are very few of us who have the tenacity to make dreams become a reality. Victor Williamson has the energy, the talent and the stick-to-it-iveness to make it happen."

Williamson expressed gratitude to US West, Apple Computers, The state, and national offices of education, and the Alpine School District, and a long list of other donors for their contributions in allowing this dream to come true. Williamson said he has always had a vivid imagination and is thankful to teachers in his life, and principals who are willing to say yes to his imagination.

Williamson paid tribute to Crista McAuliffe and other teachers, "who are hero's in their own sense." He said, "Crista McAuliffe was a hero, a great teacher who wanted to expand learning in a new and different way, and put her life on the line to do it."

Pleasant Grove Mayor David Holdaway said he was pleased to have this outstanding facility in Pleasant Grove, and to have it named after such a noble person. He said he is confident the Space Center will, "touch the minds of many young people."

Holdaway presented Williamson and the Space Center a gift of 36 silver coins depicting great space flights, that can be displayed at the school. Each coin has an inscription which reads, "May the future of mankind be glorious."

The Daily Herald

U.S.S.N. 4881-2777
Second Class Postage Paid at Provo, Utah
U.S.P.S. ID #143-060

Published Daily by SCRIPPS LEAGUE NEWSPAPERS, INC.
1555 North Freedom Blvd
P.O. Box 717
Provo, Utah 84603-0717

Kylie PARKINSON, Publisher
N. LaVERL CHRISTENSEN
Editor/Editor Emeritus
1949 - 1989

POSTMASTER:
Send change of address to:
The Daily Herald
P.O. Box 717
Provo, UT 84603-0717

MEMBER
Audit Bureau of Circulation
NEA Service

HOME DELIVERY RATES
(By youth carriers)

1 Month, carrier	$ 5.25
6 Months, carrier	$48.50
One Year carrier	$99.00

MOTOR ROUTE AND RURAL DELIVERY RATES*

1 Month, carrier	$ 8.50
6 Months, carrier	$51.00
One Year carrier	$102.00

*Rates may differ outside of Utah County

MAIL RATES IN UNITED STATES

1 Month	$ 12.00
6 Months	$72.00
One Year	$144.00

HERALD TELEPHONE NUMBERS

ADVERTISING DEPT	373-5050
EDITORIAL DEPT	373-5050
BUSINESS OFFICE	373-5050
CLASSIFIED	373-5050
DELIVERY SERVICE	375-5103

Copyright
Scripps League Newspapers, Inc., 1990



We're Tal
Serious Gi
Potent

The Utah Jazz Certifica

Come into any office
Bank today and invest with
CD* A high paying, compet
a rate that pays more, the
win. In other words—you
It's simple. Your rate
with every ten games the J
to 40 wins. After 50, your
1/2%. And if the Jazz go o
to the second round of the
playoffs, plan on adding
even more. As a matter-
of-fact, if the Jazz make th
finals, you can earn an ad
Of course, the earlier
the more your interest ca
in on it now. And see how
little more interest to ever

WESTO

*Minimum certificate amount of $1,000 and
**Bonus months combined cannot exceed 3.00% Rate a
CD and are compounded. Substantial penal

N000080

...ss and the move brought ...ted States closer to war ...Iraqis, in effect, are being ...notice that they will be ...' unless they withdraw ...rawn under Bush's terms, ...nk Gaffney Jr., director of ...er for Security Policy and ...Pentagon official.

...230,000 U.S. air, ground ...forces now are in and ...Saudi Arabia, and a coali... other Western and Arab ...has put at least 100,000 ...n the gulf area. The Iraqi ...Kuwait and southern Iraq ...ated at 430,000.

...and Pentagon officials re... disclose specific numbers ...ots and soldiers in the gulf. But additional Army forces ...brought in from Germany ...re than double the number ...tanks in Saudi Arabia, to ...000, judging from organiza... ...rts and estimates by Army ...

...ntagon estimates that Iraq ...st 3,500 tanks in and around ...

...said he hoped Iraqi Presi... ...ddam Hussein viewed the ...up U.S. deployments to the ...evidence that the Western ...ab coalition arrayed against ...is serious about using mili... ...rce if diplomatic and eco... ...pressures fail.

...has movement of force is ...onvinces him, so much the ...' Bush said. He added later, ...he surveys the force that's ... he will recognize that he is ...ust just a foe that he can't ...y manage militarily."

...m concerned that the admin... ...n is moving to establish an ...ve capac... in advance of a ...resolution authorizing offen... ...tion," said Sen. Claiborne ...D-R.I., chairman of the Sen... ...oreign Relations Committee. ...aid the international trade ...

...ended to allow its citizens to ... abroad before the wall ...Portions of a news confer... ...r Schabowski was planned to ...adcast over loudspeakers ...day in the central square in ...erlin.

...Bundesrat, the upper house ...rliament, was to mark the ...anniversary by holding its ...meeting in Berlin in 31 years, ...g from Bonn, the federal ...

...two Germanys united Oct. 3 ...country of nearly 80 million ... by far the biggest in Eu... Their leaders pledged repeat... ...hat the new Germany will not ...o dominate the continent, nor ... it forget the Nazi part of its ...

...bly cost Snow 5 percent of the ...

...n defeated Snow Tuesday in ...dslide by the heavily Republi... ...istrict, 58 percent to 37 per...

...te GOP Executive Director ... Hopkins said Studdert had ...acted him by telephone Nov. 2 ...t approval for paying for an ...that "he said was about val...

...e indicated to me that Mr. ...grove had approved the ad," ...kins said.

...e executive director said Car... ...walked into the room at that ... and, when told about the ad, ... it was too late to get newspa... ...space.

...pkins said Studdert called him ... Saturday, said he had gotten ...e in the Journal and asked for ...900 to pay for it.

... have no knowledge of the ...ess of who got the space, who ...ed the ad, who wrote the text, ...laid it out," Hopkins said.

...uddert's letter to Snelgrove ...luded that "what the Republi... Party needs now is leadership. ...s congratulate Bill Orton, and ... listen to the voters; they are ...y. The people have spoken. The ...tem works. Let's listen — and ...r — what they are saying."

..., and the Alpine School District, ...d a long list of other donors for ...ir contributions in allowing this ...am to come true. Williamson ...d he has always had a vivid ...agination and is thankful to ...

NIELSON:

(Continued from Page A1)

part of Mr. Nielson our former Congressman," Norton said.

UEG calculated that it spent about $12,000 in its campaign efforts, Norton said.

"We're protesting the need to file, but we're doing it anyway," he said. "Enough people have come to us so we decided to do it. Another thing is that we started as an ad hoc committee and the expenditures were minimal at that time, but since then it has become a whole different story. It wasn't until the very end that it became a problem with expenditures and everything."

Norton admits that he and his group has had no experience in this matter and added he was told by state officials that it wasn't necessary to file.

"We can't see any regulation other than not filing in a timely manner that we have broken," he said. Norton does not believe his group is a PAC.

"As a good-government group we have the right to publicize our findings. It is a basic free-speech issue here — as long as we don't endorse one candidate and we did not," he said.

The group, which formed in mid-October, urged residents not to vote for Snow in radio ads, several full-page newspaper ads and a four-page tabloid inserted in community newspapers in Utah County.

According to the FEC, individuals or groups may exercise their right of free speech in federal elections, but if they spend $1,000 or more doing so, they have to report expenditures.

Moxley said the maximum penalty the commission can impose for inadvertent failure to file registrations and disclosure forms is $5,000, or 100 percent of the amount of money involved, whichever is greater.

If the commission finds that such a violation was committed knowingly and willfully, the penalty could be up to $10,000, or 200 percent of the amount of money involved, whichever is greater.

Republicans For Orton, which formed Oct. 19, did not spend more than $1,000 and therefore does not have to file as a Political Action Committee, said the group's secretary, Rose Higa.

Higa will report the group's expenditure of $750 as an in-kind donation, which is allowed by the commission, on Orton's final FEC report.

Anyone can file a complaint with the commission about election violations. Complaints usually take seven to eight months to investigate, Moxley said.

The Daily Herald
(USPS #991-777)
Second Class Postage Paid at Provo, Utah
U.S.P.S. ID #143-080
Published Daily By SCRIPPS LEAGUE NEWSPAPERS, INC.
1555 North Freedom Blvd.
P.O. Box 717
Provo, Utah 84603-0717
KIRK PADDISON, Publisher
N. LAVERL CHRISTENSEN
Editor/Editor Emeritus
1949 1968
POSTMASTER:



We're Talking Serious Growth Potential.

The Utah Jazz Certificate Of Deposit.

Come into any office of West One Bank today and invest with a Utah Jazz CD.* A high paying, competitive CD with a rate that pays more, the more the Jazz win. In other words—you score big.

It's simple. Your rate increases 1/8% with every ten games the Jazz win—up to 40 wins. After 50, your rate increases 1/2%. And if the Jazz go on to the second round of the

7 1/4%

Sa
1(
th
☐ Televisions
☐ Video Rec
☐ Camcorde
☐ Audio Sys
☐ Big Scree
☐ Computer
☐ Freezers
☐ Boom Bo
☐ Typewrite
☐ Telephon
☐ Word Pro
☐ 35mm C
☐ 35mm Fi
☐ Micro Ca
☐ Dishwash
☐ Air Cond
☐ Microwav
☐ Washers

N000081

9704383068 9

The Salt Lake Tribune

Friday Morning, November 9, 1990

Section A Page 20

Tuesday's Election Results Shift Conditions In Utah Legislature

Utah voters reduced Republican numerical domination of the Utah Legislature, but not enough to suggest major policy changes.

Democrats accomplished a net increase of four seats in the House, leaving Republicans with a 44-31 majority. The minority party also picked up three districts in the Senate, decreasing Republican dominance to a 19-10 ratio.

The Democratic gains continue a broad trend of slow erosion of Republican legislative control in the previous three elections. The slide was interrupted by the 1988 vote, in which the GOP picked up one Senate seat and the numbers in the House remained unchanged from 1986.

For the first time in recent memory, Republicans will not have an automatic two-thirds majority in party-line Senate votes. Since the GOP maintains control of the governor's office, veto override votes are not likely to occur, but the Democrats could block other questions requiring two-thirds approval, such as placement of constitutional amendments on the ballot.

The solid Republican control of both houses, plus the governorship, gives that party a relatively free hand to decide legislative and congressional reapportionment. Utahns probably won't tolerate brazen gerrymandering, however, and the GOP task has been complicated by this year's Democratic resurgence in Davis and Salt Lake counties.

Democrat Bill Orton's victory in the 3rd Congressional District and the strong showing by his party mate Kenley Brunsdale in the 1st District may send GOP strategists back to the maps and computers to reconsider previous assumptions about where their party's turf lies.

Salt Lake County, which presently accounts for 45 percent of the state's population, 32 of the 75 seats in the state House and 12 of 29 state Senate positions, is particularly problematic for Republican analysts, given Democratic Rep. Wayne Owens' strong showing and Democrats' newfound strength in county government races. Democrats also knocked off two Republican incumbents from Salt Lake County in races for Utah House seats.

Like the Democrats, women also made modest gains in Tuesday's legislative races. Three women, an unprecedented number, won seats in the Utah Senate. They include Democrats Karen Shepherd and Millie Peterson and Republican Delpha Baird. All represent districts in Salt Lake County. Ms. Shepherd will take the seat being vacated by Sen. Frances Farley, D-Salt Lake, the lone woman in the chamber in recent sessions.

They will be joined by eight female colleagues in the House, four Democrats and four Republicans, all of whom are incumbents who won re-election. Rep. Beverly White, D-Tooele, lost her bid to retain her seat. No woman challenger won a House seat this year.

The Legislature that will convene in January also will do its work without several of its most experienced and visible leaders. In addition to House Speaker Nolan Karras, R-Roy, Rep. Franklin Knowlton, R-Layton, and Sen. Kay S. Cornaby, R-Salt Lake, who did not stand for re-election, Sen. Loren Pace, R-Salt Lake, lost his primary election bid for renomination, and Sen. Richard J. Carling, R-Salt Lake, was evicted by Democrat Bob Steiner.

From the current vantage point, then, the new Utah Legislature will feature some new faces and miss some familiar ones, but no major policy shifts can be anticipated. Bear in mind, though, that most legislative gatherings also can be counted upon to spring a few surprises.



Like Mondale, Taxes Will Be Bush's Undoing



Robert C. Maynard

Universal Press Syndicate

OAKLAND — This scene occurred during the 1984 Democratic National Convention in San Francisco. Our oldest son, the middle kid, accompanied me to Moscone Center to hear Walter Mondale's acceptance speech. It was a moment of euphoria for the Democrats and for San Francisco.

As Mondale spoke, my son was wedged between a computer terminal in the press stands and an old colleague of mine, a veteran political reporter from Washington, D.C. Soon after Mondale began to speak, the former vice president made a remarkable admission.

Ronald Reagan, the newly minted Democratic nominee said, would not tell the American public the truth. Their taxes would have to be raised to face the growing federal deficit. No sooner had Mondale said, "Ronald Reagan won't tell you, but I will . . ." than my friend turned to my son, then 14.

"Sonny," the political reporter said to my boy, "you just saw the shortest presidential campaign in American history." The kid looked puzzled. "No way you get to win in American politics by promising to raise people's taxes," the old salt explained. "Mondale just lost."

It was hard to explain to my son on the way back to Oakland that night how a presidential campaign could be over before the Democrats even left town, but he understands it now. He knows, as surely as I do, why George Bush is today a prime candidate to become a one-term president by the fall of 1992.

Once again, the issue is taxes. In the case of President Bush, the problem is more complicated than it was for Mondale. Many Democrats didn't think Mondale could have beaten Ronald Reagan, even if he hadn't made his tax gaffe in San Francisco. In 1984, the "Teflon President" was at the peak of his popularity.

In June, before Bush went from "Read my lips" to "Read my flips," Bush was sailing along with a popularity rating that was the envy of every politician in Washington. Then the federal deficit, to which Mondale alluded in 1984, finally did to Bush what Mondale thought it would do before 1988 to Reagan. It had become impossible for the president to ignore.

Since the Democrats held the key to any solution, they made it impossible for Bush to fashion a compromise with his "No new taxes" pledge in place. When the president finally acknowledged he had broken his pledge, his party in Congress all but abandoned him.

Those GOP candidates who could avoid being seen with the president did best on Tuesday night. Those for whom he campaigned wished he hadn't. Of the 18 candidates for whom the president campaigned this fall, 14 — nearly 80 percent — lost.

Among the four who won, Pete Wilson in California was headed for a decisive victory over Dianne Feinstein. Only George Bush gave her a fighting chance to become California's first woman governor. A few more presidential appearances for Wilson would have delivered Sacramento for the Democrats.

Almost certainly Bush helped Democrat Ann Richards become the third woman governor of Texas. The president spent a week in the Lone Star State campaigning for Clayton Williams.

The GOP's man in Texas did plenty to hurt himself. He threw away a midsummer lead of 30 points. Bush just helped finish him off.

All this has the Democrats smiling. They sense a vulnerable incumbent and, thus, a clean shot at 1600 Pennsylvania Avenue in 1992. The president is discovering this fall why Harry Truman said that if you want a loyal friend in Washington, you should get a dog. Perhaps Millie will be of some comfort in January. The new Congress is unlikely to offer much succor to a wounded president.

It will take a good deal of luck on the part of President Bush and the GOP to avert disaster in 1992. The recession would have to be well behind us and war in the Middle East decisively avoided. Otherwise, George Bush will demonstrate that there is more than one way to lose on the tax issue. Move over, Fritz ("I'm going to raise your taxes") Mondale. Make room for George ("Read my lips") Bush.

N0000082

The Kahane Factor

The assassination in New York City of radical Jewish activist Meir Kahane ought to be the most conspicuous repudiation of his own extremist doctrine. A lasting solution for Middle East conflict does not reside in absolutism.

Exponent of the notion that Arabs and Jews could never live peacefully together in shared communities, the fallen rabbi founded organizations aimed at actually implementing this obviously dangerous form of bigotry. The fear and hatred it nurtures destroyed him.

As it would surely destroy any effort at meeting Mideast difficulties based on the Kahane proposition. Arabs and Jews need more reasons to accept and trust one another, not the bleak opposite.

Rabbi Kahane was vigorously articulate in disdaining any concepts based on reconciling and tolerating Jewish-Arab differences. He was convinced Arabs, especially those grouped under such banners as the Palestine Liberation Organization, were historically treacherous and permanently menacing to the Zionism that proclaims Israel's creation and existence.

Such dolorous thinking led him to advocate for fully and forcefully expelling virtually all Arabs from land occupied by Israel, a dogmatism so provocative that it repelled both Jews and Arabs. It earned him a prison term in Israel and court-ordered dissolution of the Israeli political party that briefly won him a seat in the country's parliament. Worse, it obviously marked him for wrath of a deranged assassin.

The principle irony is that the likes of Meir Kahane, usually at the fringes of political dispute, gain too much influence over crucial events. As he was buried Wednesday in Jerusalem, statements by some of Israel's highest government officials portrayed him as some sort of minor martyr. In fact, these same personalities formerly disregarded him as the mistaken troublemaker he, indeed, was.

It may be that Rabbi Kahane's murder in this country, far from the conflicts occurring daily in Israel, is an expression of the depths to which Israeli-Arab enmity has sunk. But giving the man, in death, more status than he earned in life will not accurately convey the lessons of his killing.

Arabs and Jews will live together in tolerance and relative security when they totally reject calls for brutality echoing on all sides of their too-long struggle; when they concede the wisdom of acknowledging each others' rights as believers in commonly revered principles concerning human dignity, mutual understanding and the blessings of peaceful accord.

Another Viewpoint

The Election's 'Dids' and 'Didn'ts'

From The Los Angeles Times

The election was as significant for what it did not do as for what it did.

Here's what didn't happen: Until recently, the Republicans believed that they might ride the coattails of a historically popular president to historic midterm gains. That didn't occur.

Until recently, Democrats believed they could ride public distaste for the budget fiasco to a midterm landslide. Obviously, that didn't happen, either.

The Democrats managed a historically unexceptional gain of one seat in the Senate and nine in the House. And three of the party's leading presidential hopefuls — New York Gov. Mario Cuomo, New Jersey Sen. Bill Bradley and Missouri Rep. Richard Gephardt — barely outlasted lackluster challengers.

Here's what did happen: President Bush suffered a series of defeats. Four of the GOP candidates for whom he campaigned hardest — Florida's Bob Martinez, Texas' Clayton Williams Jr., Minnesota's Rudy Boschwitz and Hawaii's Patricia Saiki — lost.

Of course, the president also campaigned for Pete Wilson and Jesse Helms. However, Wilson, who voted against the bipartisan budget agreement, made a point of distancing himself from Bush on the question of higher taxes; Helms went on to exploit the president's veto of the Civil Rights Act to help legitimize his overtly racist campaign against black Democrat Harvey Gantt, thereby converting one of Bush's few successes into an embarrassment.

The consequences of all this are likely to exacerbate Washington's governmental gridlock. The Democrats have an unshakeable legislative majority, but cannot do as much as they would like with it because of Bush's extraordinarily successful use of the veto. Since taking office, the president has vetoed 15 bills.

Traditionally, about one-third of all presidential vetoes are overridden; Bush has been sustained every time. Administration officials say privately that Tuesday's results probably mean Bush will make even greater use of the veto in the two years ahead.

The Democrats hoped to pick up enough new seats to end the president's "government by veto." They did not.

Now their strategists say they will attempt to capitalize on Bush's perceived weakness and win over enough GOP congressional moderates to override at least some vetoes. To do that, they will have to attack Bush's personal conduct of his presidency — as the Republicans did during the Carter administration. Remember that a failing presidency tempts a lot of people to free-lance.

There you have it: an angry electorate, an immobile Congress, an uncertain president. An alchemy capable of transmuting them into effective government would require either statesmanship or a miracle — and in the current political context that may be a distinction without a difference.

Remembering a Great One in Ol' Kentucky

King Features Syndicate



Lewis Grizzard

LEXINGTON, KY. — I hooked up with this ol' boy named Jim, who's from around these parts. I had four hours to kill before my plane so I ask Jim to show me some horse country.

I don't know a lot about horses. As a matter of fact all I know is how to slow one down. Bet on him.

I'd been killed Saturday at Keeneland. They had six races there and then we all went to Belmont in New York via television for the Breeders' Cup. Keeneland had also offered wagering on that program.

I can't pick 'em live, and I can't pick 'em on TV. It was a tough afternoon financially.

Jim said, "I'll take you to Paris. I was born and raised there."

It was one of those brilliant fall Sunday afternoons. The trees were yellows and reds. The drive to Paris, Ky. — seat of Bourbon County — from Lexington, was maybe 20 minutes.

On each side of the two-lane road was farm after farm and fence after fence. There were stone fences and white fences. It looked a little like places I've seen in Scotland and Ireland.

We drove by where Jim grew up in Paris, and we saw the courthouse. Then we drove past the Paris train station, which is now a country eating place.

Jim had earlier recommended a lunch spot in Lexington, one of those fancy joints where they cook the tomatoes and serve the green beans nearly raw.

"You should have brought me here," I said to him. "That looks like a place that would have great fried chicken for Sunday dinner."

"You want some chicken?" Jim answered. "I'll call Mama and get her to fix you one."

"I filled up on raw green beans," I said.

We drove out of Paris and suddenly everything we saw on both sides of the road was Claiborne Farms.

Jim said his uncle had been working there for years, so we drove through the stone gate and parked near the stallion barn.

"First thing you need to see is the graveyard," he said.

I didn't know they had graveyards for horses.

I walk a few yards from the car and I'm in a peaceful grassy spot with tombstones inscribed with such names as Gallant Fox.

And all of a sudden I'm standing at the grave of Secretariat. I know enough about horses to know I'm on hallowed ground.

What a horse. There was never a horse like this one. And there may never be another one.

"He got a hoof disease," Jim said, "and they had to put him down."

"How do they do that to a horse?" I asked.

"Lethal injection. It only takes seconds," he answered.

"The thing about Secretariat," he went on, "was they buried all of him. Usually, they just bury the head, the heart and the testicles.

"But they had a big oak casket for Secretariat, and they buried him in his colors."

Jim's uncle took us down to the stallion barn and brought down a few other stars, one of whom gets a $250,000 stud fee. I guess they would bury the testicles of a horse like that.

Before we left I went back to Secretariat's grave one last time. Another visitor had put a spray of fresh flowers on the brilliant grass that grows atop him.

"I guess a lot of people still love this horse," I said to Jim.

"We'd better get to the airport," he [illegible]

My eyes were misting. Over a horse dead one. How silly, considering I had remained dry-eyed when Saturday's live nags had left my wallet in ruin.

GOP Displaying New Dynamics for '90s

Washington Post Service



David Broder

WASHINGTON — The people who are scanning the midterm election results for clues to a new power balance between President Bush and his Democratic rivals are looking at the wrong thing. The fascinating and often surprising results of Tuesday's voting send a mixed message about prospects for a successful Democratic challenge in 1992. What is not in doubt is a brand-new dynamic inside the GOP.

Pollster Dick Morris, a strategist in Republican William Weld's come-from-behind victory over Democrat John H. Silber in the Massachusetts governor's race, exaggerates only slightly when he talks about the "rebirth of the liberal Republicans." Few Republicans use that adjective — but the "moderate" or "progressive" wing of the GOP was strengthened immeasurably by the elections of new Republican governors to replace Democrats in Ohio, Michigan, Vermont, Minnesota and Massachusetts, and by the men who took over governors' chairs being vacated by other Republicans in Illinois and — most importantly — California.

To oversimplify and exaggerate slightly: if one generation of Republican politics began with the election of Ronald Reagan as California governor in 1966, another generation may well have started with Pete Wilson's takeover of that office in 1990.

The challenge of Reagan tugged Richard Nixon to the right in the 1968 presidential campaign. All during the time that Nixon and his successor, Gerald Ford, spent in the White House, they kept an anxious eye on the conservative wing of the party, led by Reagan. George Bush also has governed with his glance fixed on the right, knowing that the Reaganites never really regarded him as one of their own and never really trusted him.

But now the internal balance of the GOP has shifted. The Southern base that Reagan welded to the GOP and Bush exploited as his heir in 1988 has been weakened, with the defeat of staunchly conservative Republicans in the Florida and Texas governorships and their replacement by moderate liberal Democrats.

At the same time, forceful new Republicans, many of them with urban voting bases, are taking over in California and the northern tier states where Lincoln, Teddy Roosevelt, Eisenhower Republicanism had its roots.

All this is a far cry from Reagan's "government is the problem" philosophy. And personally, these men are far from the Reagan model. Wilson, at some political risk, supported Ford against Reagan back in 1976. Weld resigned in protest from Reagan's Justice Department when Reagan would not fire Attorney General Edwin Meese.

On the most sensitive platform issue facing Bush in 1992 — whether to renew or soften the GOP's strict anti-abortion stand — Wilson, Illinois' Jim Edgar and Weld will weigh in heavily on the abortion-rights side. George Voinovich and John Engler, governors-elect in Ohio and Michigan, are anti-abortion, but the California, Illinois and Massachusetts delegations will make the debate far more spirited than it was at the last three conventions.

But the conservatives have powerful arguments of their own to use with Bush as he repositions himself for 1992. On two fundamental issues — taxes and race-affirmative action — they can credibly assert that the voters endorsed their views. The tax revolt was probably the single most pervasive theme in the necessarily muddled midterm voting, causing problems for candidates and parties tied to national or state tax hikes.

Noting the defeat of Sen. Rudy Boschwitz, R-Minn., one of the few incumbents in contested races to support the Bush-endorsed budget agreement, and the astonishing hair-breadth escape of Sen. Bill Bradley, D-N.J., caught in a tax revolt against New Jersey Gov. James J. Florio, a Democrat, Burton Yale Pines of the conservative Heritage Foundation said, "Bush has to look at Boschwitz and Bradley and see a warning for 1992. It's like a light heart attack for a young man. It tells you to change your way of operating."

The other conservative issue that showed great force was opposition to race-based affirmative-action programs. It showed not only in North Carolina and Alabama, but in California, where minorities are approaching majority status in the population. As has been said here before, white voters are increasingly hostile to programs they perceive as benefiting minorities — at their expense. Some of that is based on racial hostility and some on economic anxiety and some on a self-defined "fairness" criterion.

But as former Carter White House aide Stuart Eizenstat said, "Bush knew exactly what he was doing when he vetoed the civil-rights bill" on grounds it imposed hiring quotas.

Finding a politically and morally defensible position on that prickly issue will challenge the 1992 Democratic contenders as much as the altered power balance inside the GOP tests Bush.

N000083

9704383069 1

The Daily Herald

Friday
Nov. 9, 1990

'Men are more apt to be mistaken in their generalizations than in their particular observations."
— Niccolo Machiavelli, Italian philosopher (1469-1527)

Opinions

Additional aftermath

Herald comment

here was an aspect of Tuesday's tion which we found as puzzling as Orton's margin of victory was surising. It concerns the ambivalence of ers about taxes for education.

survey done last year indicated a jority of Utah voters would be willing pay more taxes for an improved ucation system. At first glance, it peared the voters vindicated the sur results as they turned down a ince to reduce taxes by eliminating sales tax on food.

Some analysts say the food tax measure was defeated because of fears that ucation would be decimated by the t revenue.

But wait! Voters defeated school leeay measures in most of the school stricts in the state where leeways were the ballot. Nebo School District vots, for example, could have picked up atching funds from the state and add enough money to reduce class sizes the elementary schools by approving relatively small jump in property xes.

Does this contradict the avowed suport of education by Utah voters? Not necessarily.

Does it mean voters are not convinced the schools need more money? Perhaps, that is true with some voters.

Does it mean property taxes are among the most feared and hated of taxes? We think so.

Property taxes amount to a permanent lien on a citizen's property. Voters may feel they have a greater measure of control over some other taxes. For example, sales taxes can be controlled somewhat by purchasing choices.

Failure of the leeways must be frustrating and disappointing for educators. Especially since they do an outstanding job of teaching children even though class sizes are among the largest in the nation and per capita spending on students is near the bottom nationally. It should, however, be increasingly clear that school funding tied to property tax increases will face growing resistance.



Letters

Some mistakes made?

ditor:

A lot of finger pointing is going on today bout ...l Snow's loss, campaign tactics, nd ...mous newspaper ad in the rd ...strict. After the pri... as Chairman of ... 'n a campident, comes ck does

d-hearted campaign, takes may r mistakes and whoever My heart goes

have ... were made ... made them can be ...

ment. One of his arguments for so doing is because the liberals would have spent more money than his proposal advocated.

So a new term has been coined: "fiscal conservative." This means, as near as I can discover, that this is a person who is conservative with his own money and liberal with other people's money, i.e. taxpayer money. They claim that they do it because they are caring and compassionate.

How can one claim to be compassionate when he does it with other people's money? Their compassion plainly doesn't include the struggling taxpayer and the unsuspecting future generations who are being saddled with an onerous burden of debt. It's a contradiction of massive proportions at least as defined by Webster's dictionary. Not only have many of our present legislators and candidates twisted, distorted and ignored

Drive to limit terms hot for 1992



Walter Mears

ASSOCIATED PRESS COLUMNIST

WASHINGTON (AP) — It started as a sleeper among issues,but the drive to limit politicians' terms is awake and kicking now, and the people pushing the idea say they'll seek to put it on at least 15 state ballots in 1992.

Claiming headway in both the victories and frustrations of Tuesday's off-year elections, term-limit campaigners will meet in Washington early next month to talk about their next steps.

While the immediate target is the state

voter revolt."

Campaigning for Republican candidates this year, both Quayle and President Bush pushed term limits. The 1988 Republican platform endorsed limits on House and Senate tenure, without saying what the ceiling should be. Quayle says he favors 12 years.

"All around this country there is a growing momentum for limiting terms of legislators," Bush said before the elections. "...Term limitation is an idea whose time has come, and I think its time has come to

N000084

a relatively small jump in property taxes.

Does this contradict the avowed support of education by Utah voters? Not [illegible] should, however, be increasingly clear that [illegible] funding tied to property tax increas[illegible] face growing resistance.

Letters

Some mistakes made?

Editor:

A lot of finger pointing is going on today about Karl Snow's loss, campaign tactics, and the now famous newspaper ad in the 3rd Congressional District. After the primary I was asked to serve as Chairman of the Snow campaign; I accepted. In a campaign lots of people make independent, sincere decisions. But with leadership comes accountability, and therefore, the buck does stop here.

Hundreds of well meaning, good-hearted people volunteered in the Snow campaign, and as in every campaign, mistakes may have been made. But whatever mistakes were made can be corrected, and whoever made them can be forgiven. My heart goes out to Karl Snow and his family, and my support goes to our new congressman.

The voters have spoken and that's exciting. When Republicans lose so badly in a Republican state, whether its for Congress or county commission, there is plenty of blame to go around. The party is deeply divided and the reasons for the losses by Karl Snow and others are numerous.

Rather than sitting around pointing blame, what the Republican Party needs now is leadership. Let's congratulate Bill Orton, and let's listen to the voters: they are angry. The people have spoken, the system works. Let's listen — and hear — what they are saying.

Stephen M. Studdert

Blurred distinction

Editor:

It's obvious from the current campaign rhetoric that the distinction between conservative and liberal has become blurred and distorted. Candidates of the two major parties (Socialist Party "A" and Socialist Party "B") use the terms in strange and confusing ways. Isn't it great that we have a two party system?

My perception has been that a conservative was one who was converted to the idea of keeping government within its proper limits as defined by the original Constitution. A liberal was one who went beyond the boundaries of the proper function of government with all sorts of lavish socialist projects and devious schemes such as welfare, health, education, etc. ad infinitum, which should be properly managed and could be better managed by private citizens and/or private organizations.

Today, many so-called conservatives support and advocate the same government programs as the liberals but apparently consider themselves still conservatives because they do not want to go as far or spend quite as much tax money as their counterparts. They still ignore the Constitution but not quite as flagrantly.

A case in point is Senator Orrin Hatch's (and everyone knows he is a conservative, right?) sponsorship and support of the recently enacted child care bill. This is clearly not a proper function of the federal government. One of his arguments for so doing is because the liberals would have spent more money than his proposal advocated.

So a new term has been coined: "fiscal conservative." This means, as near as I can discover, that this is a person who is conservative with his own money and liberal with other people's money, i.e. taxpayer money. They claim that they do it because they are caring and compassionate.

How can one claim to be compassionate when he does it with other people's money? Their compassion plainly doesn't include the struggling taxpayer and the unsuspecting future generations who are being saddled with an onerous burden of debt. It's a contradiction of massive proportions at least as defined by Webster's dictionary. Not only have many of our present legislators and candidates twisted, distorted, and ignored the Constitution, they are now giving the same treatment to the language to cover their deceptions.

It appears the old story of "The Emperor and his New Clothes" now has a modern setting. We, the electorate, must be perceived by many politicians as a stupid lot. Maybe we are. We keep electing people to office who seem to be determined to spend us into oblivion.

Walden W. Johnson
Pleasant Grove

Not so dumb

Editor:

Ever since I became involved in Utah politics, about eight years ago, I have been surprised and disappointed at the complacency of most voters here. But more than that I have been disgusted by the arrogant and self-righteous campaign tactics of many candidates. Candidates who profess themselves to be and are defended by supporters as well-respected in the business sector and holding positions of authority and visibility in the community and their church. Too often I have seen voters choose someone just because his or her name was connected to a prominent church position.

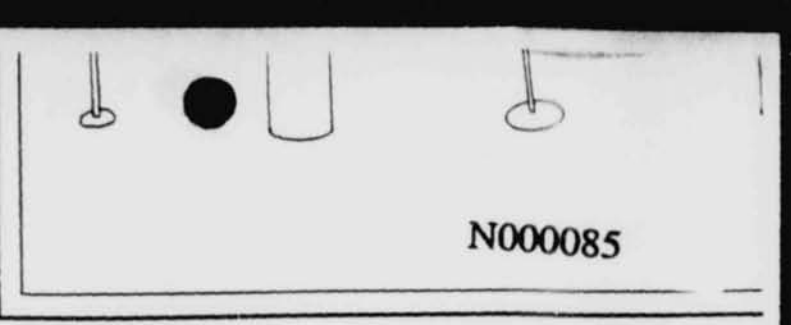
Karl Snow has probably reached the lowest in the tactics displayed, and such a low blow got just what it deserved! Congratulations, voters, for sounding an absolute negative against dirty politics! Maybe you are not as dumbly complacent as you seemed to be. I only hope this awakening has been rude enough to keep us on our toes in the voting booths for years to come.

Canah Tedjamulia
Orem

Letters policy

Address letters to PO Box 717, Provo, UT 84603. They should be typed, double-spaced, and less than 400 words in length. Letters must be signed and include the writer's name, address — and a daytime phone number for verification. Address questions about letters to Editorial page editor, 373-5050





Drive to limit terms hot



Walter Mears
ASSOCIATED PRESS COLUMNIST

WASHINGTON (AP) — It started as a sleeper among issues, but the drive to limit politicians' terms is awake and kicking now, and the people pushing the idea say they'll seek to put it on at least 15 state ballots in 1992.

Claiming headway in both the victories and frustrations of Tuesday's off-year elections, term-limit campaigners will meet in Washington early next month to talk about their next steps.

While the immediate target is the state legislatures, their ultimate aim is to limit tenure in Congress.

Term limits were approved Tuesday in Colorado and California, the two states that had the issue on the ballot and, for good measure, in Kansas City, Mo., which put a ceiling on city council tenure. Oklahoma voted for term limits earlier in the fall.

And then 96 percent of the House incumbents who ran again won again, an outcome one strategist said would help the push for limits. "Even in an anti-incumbent year, you can't beat 'em," said Eddie Mahe, a Republican campaign consultant and advisor to Americans to Limit Congressional Terms.

It is largely a Republican movement, although some Democratic candidates signed on during the campaign. Measures that force turnover would work to GOP advantage; they are outnumbered in the legislatures as in Congress, and Democrats have just extended their House control to 38 years.

Proposed constitutional amendments to limit congressional tenure to 12 years have, predictably, gone nowhere in Congress. The measure approved in Colorado on Tuesday would apply to members of Congress as well as state officeholders, and therefore it is certain to be challenged in court.

So the political pressure point is in states, especially those that hold direct elections on such questions. Elsewhere, Mahe said, the term limit drive will be pressed in the legislatures, where lawmakers may be loath to limit their own tenure but likely to approve a call for limits in Congress. That might just offer some openings for ambitious state lawmakers who'd like to get to Washington.

In the three states that have approved term limits, the voters overrode opponents who insisted that limits are no cure for the ills of government, state or federal, and could make them worse. Strong, seasoned legislators would be dismissed along with weak ones, the opponents say, while bureaucrats and lobbyists would gain even more clout.

"I think term limits is really a reaction against the fact that so many of our congressional elections, and our other elections, are not really competitive," said Gov. Richard F. Celeste of Ohio, chairman of the Democratic Governors' Association.

Mahe said that when, and if, more states impose limits, or at least call for them nationally, Congress will start to feel the political heat. "Once those are in place at the state level, the pressure at the national level is going to be geometrically increased," he said.

"This is going to be an issue," says Vice President Dan Quayle. "You had the tax revolt in the 1970s and early 1980s, and in the 1990s, I think, you're going to see the

U.S. mum about man who vani



Jack Anderson
& Dale Van Atta
UNITED FEATURE SYNDICATE

WASHINGTON — When his father vanished in Uganda in 1971, Ted Siedle, who was 17 years old at the time, had no idea that nearly two decades would pass and he still would not know for sure how, or even if, his father had died. Today the U.S. government refuses to tell Siedle the truth.

Robert L. Siedle was a 46-year-old sociologist who, in 1971, was lecturing in Uganda at Makerere University. He had three sons and an estranged wife back in the United States. In Africa he had befriended an American free-lance journalist, Nicholas Stroh, who worked for several U.S. newspapers.

On July 7, 1971, Stroh and Siedle set out for Mbarara, Uganda. Stroh was looking into reports that there had been a massacre at the Simba Barracks of the Ugandan army. Siedle was writing a book about missionaries and thought he might tag along with Stroh and do some research.

They spent two days in Mbarara, and on the morning of July 9, Stroh set out for the Simba Barracks on his own in a beat-up blue Volkswagen. There was a sign in the window that identified him as "Press" and a cross around his neck that identified him as Catholic. "Please call a priest," the inscription read, for emergencies. It is unlikely that his killers obliged.

Siedle had stayed behind at the hotel the Volkswagen and then went with another soldier to a spot 10 miles out of Mbarara where they found the charred remains of two bodies, poured gasoline on them, burned them again and scattered the ashes in a river.

Idi Amin decided the investigation had gone far enough. He said the two men had died "at the hands of unidentified persons," and closed the case. But that wasn't good enough for their families. They pressed their own government for answers and got none.

Today, Ted Siedle, now 36 and the president of a securities company in Providence, R.I., knows a little bit more. But he didn't get it through official channels.

In the 1980s when Siedle was studying at Boston College, he approached the former U.S. Ambassador to Uganda, Clyde Fergu-

9704383069 3

The Salt Lake Tribune **State/Local**

Friday Morning—November 9, 1990
Section B Page 1

Why the Uproar Over My Absence? Asks Pons

Desire Is to Stay in Utah, But Asks U. for Sabbatical

By Tim Fitzpatrick
Tribune Staff Writer

University of Utah cold fusion researcher E. Stanley Pons Thursday described the uproar over his recent absence as "sterile furor," but he acknowledged that he will be devoting part of his time to lab work outside the university.



B. Stanley Pons plans to devote some time to laboratory work away from U. of U.

Dr. Pons met behind closed doors with members of the state Fusion /Energy Advisory Council, which oversees the state's $5 million commitment to the research launched by Dr. Pons and British colleague Martin Fleischmann in March 1989.

The chemist declined to answer most questions from reporters, referring them to a press release distributed by his attorney, Gary Triggs.

"The sterile furor surrounding our recent trip and our absence at the last meeting was truly unfortunate," the release said. "... We did not receive notice of the last meeting in time to attend. It was our understanding that the review would take place during the third week of November and that our attendance at any meeting prior to this would not be required."

Fritz Will, director of the National Cold Fusion Institute, has maintained that he had notified both Dr. Pons and Dr. Fleischmann, who is undergoing medical treatment in England, that their attendance was required at the council's Oct. 25 meeting.

The statement also disputed earlier statements by Dr. Will that Drs. Pons and Fleischmann had spent approximately $1 million in institute funds in their research. "The only

See B-2, Column 5



—Tribune Staff Photo by Al Hartmann

The Utah Fusion/Energy Advisory Council hears Fritz Will explain money spent in search of the possible cheap energy source. B. Stanley Pons was reportedly open with the council, but refused to answer reporters' questions.

Fusion Panel Has High Hopes Despite Lower Funds

State Fusion/Energy Advisory Council members Thursday expressed continued faith in the research at the National Cold Fusion Institute, although they considered several cost-cutting measures to make best use of the institute's dwindling resources.

"The science is sound, and we've felt it has been all along," said Raymond L. Hixson, chairman of the council.

Mr. Hixson said the committee was not considering cutting off the institute before it spends the remainder of the state's $5 million, but he said that could change if the independent scientific review began Wednesday should come in exceedingly negative.

Institute director Fritz Will earlier estimated the remaining funds at about $1.3 million, but he now puts the figure closer to $1.8 million. That would carry the institute through to June 30, 1990, under the current budget.

Council member and Utah State University Provost Karen Morse raised the possibility of moving out of the institute's Research Park building, noting that it was her original position when the institute was launched in August 1989 that the money not go to "bricks and mortar."

Dr. Will expressed reservations with moving out of the building because the building provides a "focal point" for attracting private investment.

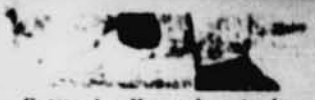
Council members also discussed the idea of appealing to the State Legislature for more funding. Sen. Rex Black, D-Salt Lake City, indicated the Legislature might be willing to consider it.

But Mr. Hixson dismissed that idea. "I think it was a good investment for the state, but I'm not sure that the state should fund more. If it is worth something, and I think it is, then someone in private industry should carry it forward."

Aide to Snow Takes

No More Horsing Around; Copter

N000086



B. Stanley Pons plans to devote some time to laboratory work away from U. of U.

pressed continued faith in the research at the National Cold Fusion Institute, although they considered several cost [illegible] measures to make best use of the institute's dwindling resources.

"The science is sound, and we've felt it has been all along," said Raymond L. Hixson, chairman of the

cut considering cutting off the institute before it spends the remainder of the state's $6 million, but he said that could change if the independent scientific review began Wednesday should come in exceedingly negative.

Institute director Fritz Will earlier estimated the remaining funds at

[illegible] $1 million that would carry the institute through to [illegible] 1990 under the current

[illegible] and Utah State University Provost Baron Moore raised the possibility of moving out of the institute's Research Park building, noting that it was her origi-

instituted in August were not money that go to [illegible] and

Dr. Will expressed concern with moving out of the building cause the building provides a "[illegible] point" for attracting private in ment.

Council members also discu the idea of appealing to the

Aide to Snow Takes Heat for Ad

Campaign Official Accepts Blame

By John Keahey
Tribune Staff Writer

The honorary campaign chairman for defeated 3rd Congressional District candidate Karl Snow has acknowledged responsibility for a "now famous" newspaper ad attacking Congressman-elect Bill Orton's marital status.



Mr. Studdert

Stephen M. Studdert, a former official in Ronald Reagan's administration, said "the buck does stop here" in a letter dated Wednesday to state GOP Chairman Richard Snelgrove.

The Tribune received an anonymous fax of the letter late Wednesday.

The ad, which appearsd in Sunday's edition of the *Utah County Journal*, showed a picture of Mr. Snow, his wife and six grown children with the caption "Karl Snow and his family."

Next to it was a photo of Mr. Orton's face, with the caption "Bill Orton and his family." Mr. Orton is single.

Mr. Studdert did not detail in the letter who was involved in the ad's conception and who wrote the copy, which implied family values weren't important to the Democratic contender.

"A lot of finger pointing is going on today about the now famous newspaper ad in the 3rd Congressional District," he wrote. " ... But with leadership comes accountability, and yes, the buck does stop here."

He went on to praise the hundreds of "well-meaning, good-hearted people" involved in the Snow campaign, and said:

"When Republicans lose so badly in a Republican state ... there is plenty of blame to go around. The party is deeply divided and the reasons for the losses by Karl Snow and others are numerous."

Mr. Snelgrove confirmed Thursday he received Mr. Studdert's letter. He also reaffirmed his earlier acknowledgement the state party paid for the ad and that he did not see the ad before it appeared. The Snow campaign also did not approve the ad, according to spokesman Clark Caras.

"The first I saw the ad was on television Monday night, after the horse got out of the barn," Mr. Snelgrove said. "I still haven't physically seen a copy in my hands. My first awareness of the text was Monday night, when I saw it glaring at me on the screen. That ad probably cost Snow 5 percent of the vote."

Mr. Studdert could not be reached for comment Thursday.

State GOP Executive Director

See B-2, Column 5





—Tribune Staff Photo by Rick Egan

A sedated Radar the horse is lifted out of Bear Canyon after being stranded 2½ weeks. The animal is in good condition.

No More Horsing Ar Lifts Stranded Steed

By Robert Green
Tribune Staff Writer

FRUIT HEIGHTS — After being stranded for 2½ weeks in a box canyon, a hungry, bruised 6-year-old quarter horse was airlifted home Thursday.

The horse named Radar was lifted by helicopter from the steep, rocky confines of Bear Canyon — below Francis Peak — and taken to the Davis County Animal Control shelter for treatment.

The sedated horse looked gaunt and thin, but was breathing normally and didn't have any visible fractures, veterinarians said. His hind-quarters and hocks were scraped.

The horse was being fed intravenously and will be kept in a warm building for two days before returning to his home turf.

The horse's owners, Jeff and Theo Bodry of Clinton, said the gelding had lost more than 200 pounds.

Radar was stranded Oct. 23 when he fell from a ledge while packing in camping gear. He fell 200 yards down a rocky slope when an icy section of trail gave way.

Mr. Bodry found the horse on its back and cut off the pack frame. When he was coaxing it upright, the horse became frightened and bolted.

Radar was not relocated until Nov. 3, when he was found trapped in a box canyon, Mrs. Bodry said.

Mr. Bodry and his friends had been trying to rescue Radar by foot. But the terrain was too steep and too rocky to walk the horse out.

They packed in grain, vitamins and horse blankets to keep the horse alive.

Running out of time and energy, the Bodrys were going to shoot Radar if they couldn't get him out.

As a last resort they called said DeAnn Hess, director of Davis County Animal Control, for assistance.

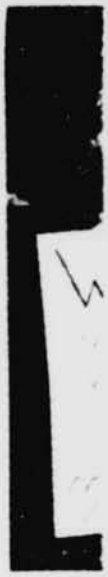
Because Ms. Hess didn't have funds for a rescue, she called animal-welfare organizations and found a sympathetic ear. After hearing about the horse's plight, David Wills, vice president of the Human Society of the United States, flew from Washington D.C. to lend a hand.

"We don't fulfill every request," he said. "But we thought this project was deserving because of the professional people working on it."

The Humane society's $3,000 contribution to save Radar was well spent, Mr. Wills said.

"A training film will be made from the rescue and the experience will be invaluable for local people," he said. "Besides the horse appreciated it."

Mr. Wills said the rescue went off better than expected. While on the mountain, the horse was tran-



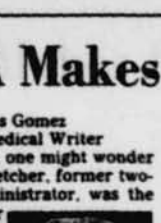
Adrien
brate t

quilized an
The hors
helicopter,
Wills said.
"Admins
big animals
When Ra
with a bas
friends wer
horse is ou
During t
on browse
the canyon
Also assi
Sheriff's D
Davis Cou
friends.

NASA Makes Down-to-Earth Contributions to Medici

By Jess Gomez
Tribune Medical Writer

At first glance, one might wonder why James C. Fletcher, former two-time NASA administrator, was the keynote speaker at the Utah Hospital Association's 12th annual convention Thursday.



Dr. Fletcher

After all, what does space exploration have to do with medicine?

Plenty, said Dr. Fletcher, who oversaw the rebuilding of the space-shuttle program and guided the space agency under four different presidents.

Technology in satellite communications, development of light-weight materials and other scientific advances by NASA have had major implications in the medical community, he said.

While NASA is not in the business of developing technology for the private sector, it plays a key role in transferring technological advances to the commercial market.

In this sense, Dr. Fletcher said, the agency is "humanizing space."

One of the latest tools to emerge from NASA for commercial use, for example, is a telecommunications system with which a physician can guide a practitioner in a rural area through surgery using a video monitor and satellite.

An important application, said Dr. Fletcher, because surgeons — let alone family physicians — are not locating in rural areas. And the "people really missing health care are those in rural areas," he added.

Materials used to make wheelchairs lighter but sturdier, implants that automatically release prescribed medications into a patient's body, magnetic resonance imaging (MRI) and cat scans were all born out of NASA research, he said.

Dr. Fletcher estimates that about 15,000 NASA "spinoffs" have been implemented in the medical community.

One spinoff is a drunk-driving device that, installed in a vehicle, prohibits starting of the car until the driver breathes into a machine measuring alcohol content. If the driver has been drinking too much, the car won't start.

Because so little of the public knows of the practical developments coming out of the space program, President Reagan — who wooed Dr. Fletcher back to NASA following the Challenger disaster in 1986 — requested that a series of publi vice ads touting the work be cr

Dr. Fletcher first led NASA 1971-1977 at the behest of Pre Richard Nixon.

The ads, which the 71-ye Fletcher helped implement, te a pair of celebrity "opposites cussing how space exploratio sulted in down-to-earth benefi

Frank Sinatra and Willie N appeared in one ad, while sport er John Madden, known for hi of flying, was teamed with Chuck Yeager.

In one ad, featuring former I cratic Speaker of the Hous O'Neill and Republican W Buckley, Buckley says he s sp less after hearing about the sp "See," quips O'Neill, "space ration does have its benefits."

But Dr. Fletcher, who was dent of the University of Utah

N000087

ASIMOV'S SUPER QUIZ

Super Quiz to a
for each correct
shman Level, 2
ate Level and 3
evel.

All answers
ect."

g process

rd

portion of the

Kane's pleasure

Answer

PH.D. LEVEL

7. A noble gas
Answer

8. Fear of strangers
Answer

9. Socrates's wife
Answer

ANSWERS:

1. Xerography 2. Excalibur 3. Xerxes 4. Exosphere 5. Xanadu 6. Xavier Cugat 7. Xenon 8. Xenophobia 9. Xantippe

SCORING:

18 points — Congratulations, doctor; 17 to 15 points — Honors graduate; 14 to 10 points — You're plenty smart, but no grind; 9 to 4 points — You really should hit the books harder; 3 to 1 points — Enroll in remedial courses immediately! 0 points — Who read the questions to you"

© 1990 Ken Pletter. Published with permission of Red Deckbuster Enterprises
North American Syndicate, Inc.

40

Why the Uproar? Asks Pons, Back at U. to Answer Critics

Continued From B-1

project that we have administered at NCFI which commenced in November of 1989 was funded at approximately $325,000."

"I am in the best position to know what the budgets are at the institute," Dr. Will countered.

Council members indicated Dr. Pons was very willing to answer their questions during the session, which was closed for "patent reasons," according to council chairman Raymond L. Hixson.

"He was very cooperative," said Mitchell Melich, a Salt Lake City attorney and council member. "He said he didn't understand why people were saying they could not get a hold of him."

"He expressed the idea that he wants to work in Utah," Mr. Hixson said. "He said that over and over again."

In his statement Dr. Pons acknowledged his request for a sabbatical leave from the university "to enable me to donate my full attention to our research. I intend to pursue our work in several labs with Martin Fleischmann."

Dr. Pons did not say what labs he was referring to, but he acknowledged to a *Tribune* reporter that it included labs not associated with the University of Utah. He did not believe it would interfere with his commitment to the university. "That's part of academic freedom," he said.

When asked where Dr. Pons had been for the past month, his attorney, C. Gary Triggs, said, "Traveling." That travel reportedly included an extended stay in France, although neither the chemist nor his attorney would confirm that.

Dr. Pons' sabbatical request has been passed on to Jerilyn McIntyre, the U.'s academic vice president. Dr. McIntyre said the request will have to be approved by the university's Institutional Council, but it would likely not be considered before the council's meeting in mid-December.

Dr. Pons continues to have complete faith in his research, which has drawn criticism from off and on the university campus. He also disputed the contention that he had not published papers on work funded by the state.

An addendum to his press release listed seven papers he has written on cold fusion. Two of those papers, published last July in the Journal of Fusion Technology and the Journal of Electroanalytical Chemistry, focused on work done last year before the institute was launched, but it included information from the institute-funded work, according to Dr. Will.

...end Should Shrug Off ...d for Warmer Days

...t filled Utah skies Thursday should depart Friday, ... for a pleasant mid-November weekend.

...ther Service meteorologist William Alder said warm... is expected to prevail this weekend as a high-pres... ...ps over the state.

...lt Lake City's high temperature will increase steadi... ...ees Thursday to the low to mid-50s Friday, the upper ...d around 60 Sunday. Lows will be near 40.

...eather is predicted in Southern Utah. "A little Indian ...e" is how Mr. Alder characterized anticipated condi... ...ge, where temperatures should be in the mid to upper

...back to the weekend is the probable buildup of haze as ... stagnant air flows at lower elevations, Mr. Alder said. ...at covered most of Utah Thursday produced only ...tation except in a few favored mountain locations. ...was Alta, he said, where the moist northwest flow was ... steep mountain slopes and produced 5 inches of snow ...0.80 inches of water. The snow level was about 8,000

...eceived 0.13 inch of precipitation, but most areas re... ...or less. "There was enough rain to get the ground wet ...sure," Mr. Alder said.



...wer 30s. Highs in Zion ... in the upper 60s, with

NASA: Down-to-Earth Technology

Continued From B-1

can limit health-care costs," he said. "That means making some difficult choices."

Dr. Fletcher also said people need to take more responsibility for their own health. "Those who maintain bad health habits should not expect the rest of us to pay for those habits later on," he said.

During the convention, the UHA presented awards to four individuals for their contributions to the health-care industry.

Edna Eckhardt, 80, a volunteer at McKay-Dee Hospital in Ogden for the past 20 years, was presented with the Auxilian of the Year Award. Lucille Schoell, a nurse at Veterans Administration Medical Center, was given the Hospital Nurse of the Year Award. Arthur S. Anderson, chairman of the board at Primary Children's Medical Center, received Trustee of the Year Award, while Scott S. Parker, president of Intermountain Health Care, Inc., received the UHA's Distinguished Service to Health Care Award.

Aide to Snow Takes Heat for Ad

Continued From B-1

Greg Hopkins confirmed with *The Tribune* Thursday the scenario of events that took place Nov. 2, two days before the ad appeared.

Mr. Hopkins said Mr. Studdert contacted him by telephone Friday to get approval for paying for an ad that "he said was about values."

"He indicated to me that Mr. Snelgrove had approved the ad," Mr. Hopkins said. The executive director said Mr. Caras walked into the room at that point and, when told about the ad, said it was too late to get newspaper space.

Mr. Hopkins said Mr. Studdert called him back Saturday, said he had gotten space in the *Journal* and asked for the $900 to pay for it.

"I have no knowledge of the process of who got the space, who placed the ad, who wrote the text, who laid it out," Mr. Hopkins told *The Tribune*.

Mr. Studdert's letter to Mr. Snelgrove concluded that "what the Republican Party needs now is leadership. Let's congratulate Bill Orton, and let's listen to the voters; they are angry. The people have spoken, the system works. Let's listen — and hear — what they are saying."

Two Closed Roads To Open in Spring

The Utah Department of Transportation has closed state Road 150 (the Mirror Lake Road) and Utah 35 (Wolfcreek Pass) until spring.

All maintenance work is discontinued until spring, and motorists should be aware that the roads are not routinely plowed or patrolled. Closures are in effect from the end of the pavement at Woodland on Utah 35, and from the seasonal gates 6.2 miles east of Kamas on Utah 150.

Bring the World to Your Doorstep; Read The Salt Lake Tribune

Art Center to Kick Off Holidays With Soiree

Special to The Tribune

BOUNTIFUL — "Noel, Noel" is the theme of this year's Bountiful-Davis Art Center holiday exhibit that will debut Nov. 17 at 6 p.m. with a special preview soiree before the works by Utah artists are displayed for the public.

Reservations are required for the preview, which includes a first-choice selection and buffet.

A free opening reception for the public will be held Nov. 18 from 2 to 5 p.m.

For further information and reservations contact the art center.

CONSOLIDATED REPORT OF CONDITION, CONSOLIDATING DOMESTIC AND FOREIGN SUBSIDIARIES OF

ZIONS FIRST NATIONAL BANK N000088

For Better or For Worse



Mary Worth



Annie



Apartment 3-G



Judge Parker



Mickey Mouse



9704383069 6

Nielson Says Anti-Snow Groups Broke Campaign Laws

PROVO (AP) — Rep. Howard Nielson, whose 3rd District provided Utah's most volatile politics this year, contends two organizations failed to follow election-campaign disclosure laws.

Nielson said Utahns for Ethical Government and Republicans for Orton did not report independent expenditures they made during the final weeks of the 3rd District congressional race.

Democrat Bill Orton defeated Republican Karl Snow for Nielson's seat Tuesday in an upset victory that followed bitter primary and general election campaigns.

Nielson said Thursday that the two groups did not register with the Federal Election Commission and that they put $50,000 to $60,000 into an "illegal campaign."

Republicans For Orton, which formed Oct. 19, did not spend more than $1,000 and therefore does not have to file as a political-action committee, said the group's secretary, Rose Higa.

Higa will report the group's expenditure of $755 as an in-kind donation on Orton's final FEC report, which is allowed by the commission.

Utahns for Ethical Government, which spent at least $4,000, has not registered as a political-action committee, nor filed forms disclosing "last-minute" spending, commission spokesman Scott Moxley said Wednesday in Washington.

Moxley said a group must register as a PAC once it raises or spends $1,000 to influence a federal election. Filing registration forms must occur within 10 days of spending or raising that $1,000.

Also, groups must report any last-minute spending on campaigns occurring two to 20 days before an election to the commission within 24 hours of the spending.

Scott Norton, spokesman for Utahns for Ethical Government, does not believe his group is a PAC.

"We've not filed a thing," he said. "We are just a citizens group. We are a good-government group, we are not a political-action committee. As a good-government group we have the right to publicize our findings. It is a basic free speech issue here — as long as we don't endorse one candidate and we did not."

The group, which formed in mid-October, urged residents not to vote for Snow in radio ads, several full-page newspaper ads and a four-page tabloid inserted in community newspapers in Utah County.

According to the FEC, individuals or groups may exercise their right of free speech in federal elections, but if they spend $1,000 or more doing so, they have to report expenditures.

Moxley said the maximum penalty the commission can impose for inadvertent failure to file registrations and disclosure forms is $5,000, or 100 percent of the amount of money involved, whichever is greater.

If the commission finds that such a violation was committed knowingly and willfully, the penalty could be up to $10,000, or 200 percent of the amount of money involved, whichever is greater.

Anyone can file a complaint with the commission about election violations. Complaints usually take seven to eight months to investigate, Moxley said.

Commission Wants Say in Land Swap

OGDEN (AP) — Weber County commissioners want to be heard when the U.S. Forest Service reviews appeals of its decision to trade 695 acres of land with the Snowbasin ski resort.

The commission on Wednesday authorized a letter to the Forest Service seeking intervenor status.

The request will permit the commission to review and comment on the appeals filed last month by environmental activists opposed to the land swap between the Forest Service and Sun Valley Co., parent company of the Ogden Valley ski resort.

Three appeals to the trade, which would give the corporation room to substantially expand Snowbasin, have been filed with Forest Service Chief F. Dale Robertson.

Review of the appeals is expected to begin early next year.

The commission has until Tuesday to give notice it wants intervenor status. The Weber Area Council of Governments, made up of Weber County mayors and county officials, has made the same request.

Snowbasin wants the land trade so that it can turn the resort into a year-round facility.

Appeals to the land swap have been filed by Ronald J. Younger, of Bountiful, and by the Coalition for Preservation of Snow Basin. A joint appeal has been filed by the Utah chapter of the Sierra Club, the Wasatch Audubon Society, Wasatch Coordinating Council of Utah, Wasatch Mountain Club and the Citizens Committee to Save Canyons.

Opens Tuesday

Cases Will Get Their Day In New Court

Special to The Tribune

PROVO — Cases will be heard in the new 4th District Judicial Center in Provo for the first time Tuesday.

Judges and other court personnel are completing a move to the state of the art building, 125 N. 100 West, dedicated Tuesday.

The new facility was completed at a cost of $6 million. It was constructed by Provo City and is leased by the courts with an option to buy, according to 4th District Judge Ray M. Harding.

The building houses 4th District Court and Provo 4th Circuit Court, along with clerks and staff.

Officials participating in the dedication said the facility is the first court building in Utah to meet all the standards for such a facility set by the Judicial Council.

SEARS
ALL ON SALE
All regular items reduced, plus special purchase items at their terrific low prices
2 DAYS ONLY
Friday, Nov. 9th and Saturday, Nov. 10th

N0008089

DESERET NEWS

SU

141ST YEAR — No. 149 SALT LAKE CITY, UTAH SATURDAY, NOVEMBER 10, 1990

Time for nation to prepare for war?

■ Gulf: Lawmakers call buildup a signal. Congress cautiously backs deployment.

WASHINGTON (AP) — Members of Congress say President Bush's massive deployment of nearly 200,000 additional U.S. forces to the Persian Gulf is a signal to the nation to get ready for war.

"I think the American people need to prepare themselves for a major conflict in the Middle East," said Rep. Ike Skelton, D-Mo., a senior member of the House Armed Services Committee.

There was cautious support for the latest military buildup, but one Republican criticized Bush for acting without broad advance consultation with Congress.

"This is a major change, and they're missing a bet, frankly," said Rep. William Broomfield, R-Mich., the senior GOP member of the House Foreign Affairs Committee.

"The whole question is one of putting more pressure on Saddam Hussein. But if you want the broadest support, Congress has got to be in on the takeoff as well as the landing," he said Friday.

Bush's failure to contact lawmakers could eventually undermine the gulf policy, Broomfield said, adding that he and committee Chairman Dante Fascell, D-Fla., asked Bush in an Oct. 26 letter to be kept informed of any additional deployment or change in mission of U.S. troops.

Bush is to meet with congressional leaders Wednesday to discuss the gulf situation.

Fascell said it remained to be seen whether the military buildup will force Saddam to withdraw from Kuwait.

"From what we know about him, it is unlikely he can be bluffed," Fascell said in a statement. "This means that we cannot keep increasing our forces in Operation Desert Shield unless we are ready, willing and able to use them in offensive operations."

Sen. Christopher Dodd, D-Conn., a member of the Senate Foreign Relations Committee, said he agreed with Bush's decision if the step was taken to enhance the diplomatic and political efforts to unseat Saddam.

However, if Bush has abandoned that approach, "then I suggest the president get the Congress back here immediately," Dodd told reporters at a Capitol Hill news conference.

Please see GULF on A2

■ Utah Guard: Members in Mideast likely to see service extended 90 days.

By Steve Fidel
Deseret News staff writer

Utah Army National Guard members already in the Middle East will likely see their service extended another 90 days, but no additional Utah units have been put on notice.

"Involvement of Utah's Guard consists of the Utah Army Guard units already in the Persian Gulf and the volunteer Air Guard crews which continue their Desert Shield rotation," said Maj. Bob Nelson, spokesman for the Utah National Guard.

Some 18 linguists with the 142nd Military Intelligence Battalion in Draper and the 14-member 120th Quartermaster Detachment from American Fork were called to active duty Aug. 24 and are still in the Persian Gulf. Their presidential call-up was for 90 days with an option of extending the call a second 90 days.

The initial 90-day call-up period ends two days after Thanksgiving. "I don't think there's any question they'll be renewed" for the additional 90 days, said Maj. Gen. John L. Matthews.

Matthews, the state adjutant general, told Gov. Norm Bangerter he plans to send a letter this week to family members of the soldiers already activated, telling them the "high probability of an extension" exists.

Pilots and flight crews from

Please see GUARD on A2

Might GOP lure Orton away from the Demos?

■ 3rd District: Utahn calls rumor ludicrous — but he doesn't close the door on an eventual party switch, either.

By Brooke Adams and Lee Davidson
Deseret News staff writers





Greetings: Nelson Mandela holds his grandson, Bambata, who was part of the welcoming committee that greeted him at Johannesburg's Jan Smuts airport. Mandela was returning from an 18-day fund-raising tour outside South Africa.

Saturday

What's happening

TODAY: Utah Opera's Bravo! Club hosts Rigoletto's Feast, Utah State Fairpark Horticulture Building, 6:30 p.m. ● Artaria Trio makes its concert debut, BYU's Harris Fine Arts Center, 7:30 p.m. ● Gordon Lightfoot, Symphony Hall, 8 p.m. ● Sawyer Brown and Travis Tritt, Salt Palace, 8 p.m.

TOMORROW: Billy Joel, Salt Palace, 7:30 p.m. ● Young Artists Chamber Players, First Presbyterian Church, 7:30 p.m. ● Gene Loves Jezebel, Fairpark Coliseum, 7:30 p.m. ● Crossroads to the West Gun Show, Salt Palace, 9 a.m.-5 p.m.

TELEVISION: We're really supposed to find out who killed Laura Palmer this time on "Twin Peaks," 9 p.m., Ch. 4. (TV listings on B4, 5.)

Inside

Sports

Last chance? If the University of Utah football team is to get another win this season, its best chance is in today's game at New Mexico. Next week, the Utes will be a mighty underdog against nationally-ranked BYU in their season finale. D1

High plains showdown: BYU will try to do today what no WAC team has done since Paul Roach became head football coach at Wyoming. Beat the Cowboys in Laramie. D1

World/Nation

New role: Soviet leader Mikhail Gorbachev, during a visit to Bonn that German Chancellor Helmut Kohl de-

"I think the American people need to prepare themselves for a major conflict in the Middle East," said Rep. Ike Skelton, D-Mo., a senior member of the House Armed Services Committee.

There was cautious support for the latest military buildup, but one Republican criticized Bush for acting without broad advance consultation with Congress.

[illegible] could eventually alter the gulf policy, Broomfield said, adding that he [illegible] committee Chairman Dante [illegible]ell, D-Fla., asked Bush in a [illegible] 26 letter to be kept informed of any additional deployment or change in mission of U.S. troops.

Bush is to meet with congressional leaders Wednesday to discuss the gulf situation.

Fascell said it remained to be seen whether the military build

Foreign Relations Committee said he agreed with Bush's decision if the step was taken to enhance the diplomatic and political efforts to unseat Saddam.

However, if Bush has abandoned that approach, "then I suggest the president get the Congress back here immediately," Dodd told reporters at a Capitol Hill news conference.

Please see GULF on A2

extended another 90 days, but no additional Utah units have been put on notice.

Involvement of Utah's Guard remains of the Utah Army Guard units already in the Persian Gulf and the volunteer Air Guard crews which continue their Desert Shield rotation, said Maj. Bob Nelson, spokesman for the Utah National Guard.

Some 18 [illegible] with the

the additional 90 days, said Maj. Gen. John L. Matthews.

Matthews, the state adjutant general, told Gov. Norm Bangerter he plans to send a letter this week to family members of the soldiers already activated, telling them the "high probability of an extension" exists.

Pilots and flight crews from

Please see GUARD on A2

Might GOP lure Orton away from the Demos?

■ 3rd District: Utahn calls rumor ludicrous — but he doesn't close the door on an eventual party switch, either.

By Brooke Adams and Lee Davidson
Deseret News staff writers

PROVO — All the talk about Democrat Bill Orton switching political parties is "ludicrous," the newly elected congressman says. But he doesn't totally close the door on that happening eventually, either — which is raising the eyebrows of some national Democratic leaders.

Ever since Orton nailed the biggest political win in the state's history, people — mostly Republican heavy hitters — have been talking about converting him to the GOP before the next election. Pressure from the liberal Democrats in Congress may be nothing compared to the pressure Orton appears to be getting from Utah Republicans.

But Orton says Democrats can rest assured: "I'm not talking about changing parties," he said this week at his campaign office in Provo. "I don't think we need to send a shock wave through the Democratic Party like we just sent through the Republican Party," he said.

Orton acknowledges he's had plenty of offers from members of the Republican party, saying they'd be "more than happy to welcome me into the party."

"Why on earth would I want to do that?" Orton said. "Obviously, you don't have to be a Republican to win election in the district. I just won — by a wide margin," Orton said.

But, Orton is leaving all future options open, saying that he would entertain the notion of realigning himself politically if "in the future I discover that I could not be a Democrat and still maintain my own personal philosophy or if I could not adequately represent the interests of the people in my district, and it is apparent to me that by changing parties I could do that."

Please see SWITCH on A2



PHOTOGRAPHY: STUART W. JOHNSON

One of Bill Orton's major congressional challenges will be spending time away from his Sundance home.

'Bill who?' intellectual, ambitious

■ Political newcomer: Orton grew up in N. Ogden, worked for IRS and comes from a close-knit family.

By Brooke Adams
Deseret News staff writer

PROVO — Bill who?

That's the question reverberating from the shores of Utah Lake to the banks of the Potomac since Democrat Bill Orton won Utah's 3rd District congressional seat. The political newcomer beat a former state senator in what was considered one of the most Republican districts in the nation.

Heads are shaking and tongues are wagging; people are flabbergasted. Democrats in the district can't believe they finally voted for a winner; some Republicans can't believe they lost the seat. Congress is abuzz about this political upstart.

So who is this guy and where did he come from? According to friends and family, Orton is intellectual, private, sensitive and ambitious.

Orton, a bachelor who is 42, grew up in North Ogden. His father, Donald, is a retired firefighter who worked at Hill Air Force Base, and his mother, Carol, is a homemaker. Orton is the middle of five children — the brother and three sisters

[illegible]

[illegible]

[illegible]

[illegible]

guest sister Sally Johnson of North Ogden said Bill used to show up unexpectedly to pick her up at elementary school in his black Thunderbird and take her to Kirk's Drive-in for a soda or ice cream cone before going home.

When Orton began thinking about running for Congress, he discussed it with his family. Family members told him they didn't much care for politicians. Orton promised to run a clean campaign and not get involved or corrupted in Washington if he won. His family gave him their support.

[illegible] had a pretty good chance [illegible] don't know of anything [illegible] he hasn't accomplished."

[illegible] graduated from Weber County [illegible] He says he was "kind of a [illegible] and was very shy to boot. He [illegible] himself to school books rather [illegible] socializing. He was an [illegible]

Please see ORTON on A2



Volvo can't hold up under the pressure of a monster stomp

■ 'Bearfoot': U.S. Hot Rod Association

N000091

«Force personnel. U.S. forces could approach 400,000 by next year, offi- almost 250 with the addition of three more aircraft carriers announced the main Saudi oil fields are, in about four hours.

Future call-ups can mean stays of 360 days in desert

By Steve Fidel
Deseret News staff writer

Reserve component troops called to active duty in support of Operation Desert Shield have taken comfort in knowing that President Bush can only keep them in the Saudi Arabian desert for 180 days.

Until now.

In the waning hours of the 101st Congress, lawmakers made it possible for the president to double the time combat units from Guard and Reserve components for as long as 360 days.

"The change does not affect any of the 32 Utah Army National Guard troops who were called to active duty Aug. 24, but it could affect Utah National Guard and Reserve troops called up in the future if they belong to infantry, artillery or armored combat units, said Lt. Col. Barrie Vernon, judge advocate general for the Utah Army National Guard.

Vernon said the change was made so quietly that he first read about it in a newspaper clipping. "It really surprised me, and I think it surprised a lot of congressmen," Vernon said.

Before Congress changed the law, the president had authority to activate reserve component troops for 90 days and could extend that call for an additional 90 days. After that, only a congressional declaration of emergency or declaration of war could keep the part-time soldiers on active duty.

The same rule applies with the exception that the president's authority over reserve component troops is now extended to 360 days for combat units.

"I think the theory behind it is because they're going to need more time to train the combat troops," Vernon said. "A good example of this is that the Guard units activated (Thursday) are not going directly to Saudi Arabia."

Tank units activated by the president Thursday are being sent to the California desert first for training. "By the time you call them up, give them a month's training and get them over there you've lost most of your six months," Vernon said.

GUARD

Continued from A1

the Utah Air National Guard's 151st Air Refueling Group continue to serve voluntary assignments in the Middle East as they have done since shortly after Iraq's Aug. 2 invasion of Kuwait.

Other Utah National Guard units have modified their training plans in anticipation of a call-up, but as of Friday there was no indication that any additional Utah National Guard units would be activated as part of the 100,000-soldier call-up announced Thursday by President Bush, said Utah National Guard Spokesman Maj. Bob Nelson.

And a routine letter sent to Guard retirees has taken new significance with the military buildup in Saudi Arabia.

Lt. Col. Carmi McDougal made his retirement from the 151st Air Refueling Group final in April. "When I left I said 'hey, there's peace now, the (Berlin) wall is down, it's going to be kind of a sluggish period.'"

He received a routine letter after he retired telling him to keep a uniform ready and stay physically fit in case he needed to be called back to service.

The Guard units activated included the 48th Infantry Brigade, mechanized, from Georgia, the 155th Armored Brigade from Mississippi, and the 256th Infantry Brigade, mechanized, assigned to the 5th Infantry Division which has not yet been activated for the Gulf conflict.

ORTON

Continued from A1

"He was always studying, that's what I remember," said Johnson. "Any time of night I would get up he would always be out in the kitchen studying."

Orton milked cows each morning while in high school to earn spending money, his parents said. He kept that job while attending Weber State College — going to school in the day, working for the Internal Revenue Service from 4 p.m. to midnight, studying until 2 or 3 a.m. and then getting up at the crack of dawn to start his day all over.

"In school — growing up — I wasn't the most popular. I didn't date a lot, I wasn't in athletics," Orton said. "I was studious, kind of a bookworm, got good grades, went to college and worked full time. I have always been kind of a quiet person. I shocked everyone who knew me by going into politics."

Orton's dream as a youngster was to be an attorney, but he decided while a teenager that going to law school would take too much money, too much time and too many brains. Spurred by a fascination with ancient cultures, people and archaeology, he instead pursued a bachelor of science degree at Brigham Young University in anthropology/archaeology with a minor in sociology.

He also took a lot of accounting classes; he continued working for the IRS while at BYU and noted that "every time I took an accounting class I got a raise."

He worked for the IRS for an additional four or five years after he graduated from BYU before deciding to go back to school.

"I discovered it took less time to get a law degree than it would take to get a doctorate in anthropology," Orton said. "So my old aspirations came back."

While in law school, Orton started a company: Tax Training Institute, which provides one- to three-day seminars on tax issues for professional people. Over the past 10 years, 15,000 to 20,000 people in 45 cities throughout the United States have attended his seminars.

"In fact, about the only state we haven't done much in is Utah," he said.

Orton completed law school in two years and began a private practice as a tax attorney. His private practice and tax seminar business have kept Orton bustling around the country. In fact, the pace of his professional life may explain in part why Orton is still single.

"He just hasn't had time yet," said his father, Donald Orton.

His mother explains there aren't "many girls who are going to sit around home waiting for him to come home and take them out."

Since his bachelorhood became a campaign issue, Orton's received some interesting proposals. Election night a female television reporter handed Orton an envelope inviting him to lunch; she included several photographs of herself.

"I'm flattered by those things, but I'm really a very shy kind of person," Orton said. "The people I date are friends I've known for years."

His idea of a great date is cooking a gourmet meal for the woman, going skiing, riding his horses — particularly his black Arabian, which he bought the day the Exxon Valdez ran aground in Alaska and which is appropriately named Slick.

Among his closest friends are a former girlfriend, Candice Kelly Gasdik, and her husband, Nicholas Gasdik.

"She's the one that turned me down and wouldn't marry me," Orton said.

Nicholas Gasdik said six months after he and Candice married, Orton called and said if Candice had married him, he had to be a nice guy and that he'd like to meet him.

"Bill cooked us dinner, and it blossomed into a friendship," Nicholas Gasdik said.

Orton and his close group of friends hunt, fish and camp together. He is also an avid photographer, a private pilot and certified scuba diver.

He could have chosen to live anywhere in the country because of the nature of his business: Orton chose Sundance.

"Sundance is the most beautiful spot in the world," Orton said. "I love the people of Utah. I love the culture. I love Sundance. That is one of the hardest things I have to do (as a congressman) — spend so much time in Washington."

Orton's home is a three-story log cabin — big enough to accommodate overnight visits from his parents, brothers and sisters and his 13 nieces and nephews.

"He enjoys the solitude so much," Caroll Orton said. "He gets up there away from the rest of the world and can relax."

In fact, what Orton minds most about his new job isn't that his salary will be cut in half — he makes around $250,000 a year; it's his loss of privacy.

"I feel like when I go to the grocery store I can't sort through and pick out the best potato," Orton said. "Everyone is looking at you. That's the hardest thing."

state health

Hostages' kin scarec

Associated Press



Families of American hostages trapped by Saddam Hussein said Friday they were terrified and strangely soothed by President Bush's decision to deploy thousands more U.S. troops in the Persian Gulf.

"I'm relieved that it appears we're finally going to do something ... instead of letting those people rot over there," said Theresa Murphy, whose father is one of the holdouts at the U.S. Embassy in Kuwait.

The addition of 150,000 U.S. soldiers and Moscow's qualified consent to the use of force signals a strengthened allied resolve against Iraq and its 3-month-old occupation of Kuwait.

It is a resolve shared by many relatives of the estimated 1,000 Americans either held at Iraqi military installations, holed up at the U.S. embassies in Iraq and Kuwait or hidden in "safe" houses.

"I don't want to sound like a warmonger — because I'm not," Murphy said Friday from her home in Fremont, Calif. "But my father is already at risk and the longer he stays, the more at risk he is."

The prospect of war is horrifying to those with loved ones who could be caught in the crossfire. But increasingly, relatives said, military action seems the only way to free the hostages and the tiny country of Kuwait.

"He's over there in the middle of it and I'm afraid," said Tamara Rinehart of Stover, Mo., whose husband has also taken refuge in the U.S. Embassy in Kuwait. "Still, this seems to be what he wants."

Jack Rinehart is among a number of hostages who, in letters smuggled out of Iraq and Kuwait in recent weeks, have urged their families to make a case for quick, decisive military action in the region.

"When you read his letters, what becomes clear is that (the hostages) don't have a lot of time," said attorney David McDonald Jr., whose friend and client has been hiding in Kuwait.

"I don't think military action would be anybody's first choice," said McDonald, who asked that his friend's identity be withheld. "But things are very tight, food supplies are low ... the Iraqis are everywhere. The hostages don't have time to wait for protracted negotiations."

A hostag
Frankfur

The situ
other fore
hostages
chemical p

"If the
tion," said
allowed to
ified strate
panic in hi
ity to help

GULF

Continued from A1

"If you send in these troops and you end up with 10,000, 15,000, 20,000 kids coming back to this country in body bags to liberate a scorched Kuwait, I'm not sure you're going to find a tremendous a
of support or approval for the
dent," Dodd said.

Elsewhere, Rep. Charles F
was harshly critical of Bush s

"With this troop buildup, the
ident is sending every signal t
stead of seeking peaceful sol
he plans to rush the nation into
Rangel, D-N.Y. said.

VOLVO

Continued from A1

ble with a Volvo. "Big Boss" and its 800-pound tires got stuck on a 1975 green Volvo in the parking lot of Civic Arena.

Burns, like some other spectators, said they came to see Volvo's comeuppance for an ad in which a Volvo appeared to be the only car left relatively intact in a line of autos run over by Bearfoot.

The Texas attorney general challenged the ad, and the company pulled it this week, saying that unknown to Volvo, the Volvo in the line of cars had been reinforced.

Friday, Bearfoot and two other monster trucks, Predator and Black Stallion, took turns getting their own licks in as TV crews and a small crowd watched.

"We don't have a knock against Volvo," Hot Rod Association s
man Steve Greenberg said.
doing this in good-natured fur

"There is a reputation to
here," he added, citing que
caused by the ad about the po
the monster trucks, which h
draw 4 million fans a year to
around the country.

The junked Volvos in Philad
were no match over the long
But the trucks needed a few
to get the job done.

The white-and-blue Pre
crushed a line of five cars — a
ac, three Chevys and a Volvo
middle. The roof of the Volvo
held up enough that it migh
protected passengers.

Then Black Stallion took o
at a line of six Volvos, breakin
in for four runs by Bearfoot.
on the end gave the trucks par
trouble before giving way. Be
finally finished it by coming
angle to smash another that h

N000092

9704383070 0

£60006N

Inside Today:

Working mom saw no stigma as she had role models to follow
Page B1

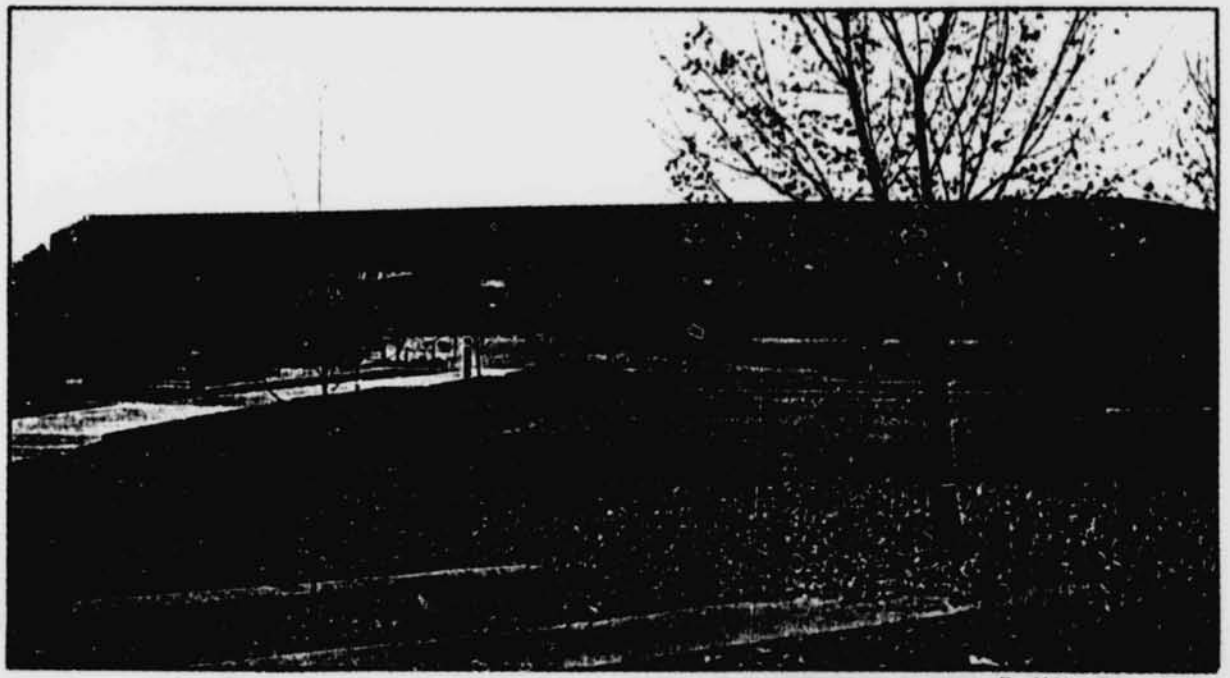
Nation
Court upholds gag on tape
Page A8

World
Sudan foresees massive famine
Page A6

Sports
BYU dominates Wyoming, 45-14
Page E1

The Daily Herald

Sunday, November 11, 1990 — Central Utah's Newspaper for 116 Years — Issue No. 103, Provo, Utah — 1.00



Herald Photo/Tamara Sneddon

The Provo Public Library did not receive rave reviews in a consultant's recent study.

Report finds Provo library 'not good'

By CHRISTI C. EVANS
Herald Staff Writer

library building is a vast improvement over its previous

spend money correcting current problems.

regular packets. Members came to the Oct. 10 meeting without

Baker says allies 'totally united' against Saddam

By The Associated Press

Secretary of State James A. Baker III on Saturday claimed success in his mission to shore up the anti-Iraq coalition, but the Baghdad government accused the United States of dragging its allies toward a war they did not want.

Baker flew back to Washington after a weeklong round of diplomacy that ended with talks in Paris. After meeting with French President Francois Mitterrand, he expressed satisfaction with the state of the alliance that came together after Iraqi President Saddam Hussein's troops seized Kuwait on Aug. 2.

"We believe we are totally united," the secretary of state told reporters. "We have built a consensus, we have increased the pressure on Saddam Hussein."

But, he added, "we must h[illegible] en the pressure further. Indeed[illegible] have to lay the foundation for the use of force should that become necessary. Clearly, one way to do that is to get ready militarily."

After the Paris meeting, it was still unclear whether the French would be willing to fight Iraq. France has sent 13,000 troops to the Persian Gulf region.

Before Baker's talks with Mitter-

(See GULF, Page A3)

Some vets fall through cracks in health care

ST. PETERSBURG, Fla. (AP) — When Andy Cox retired from the U.S. Army in 1977 after 22 years in the military, he took for granted the promise of lifelong health care.

That was until he fell off a

they are disabled and require continuous medical care for longer than two years, or when they reach the age of 65.

Under the 1972 law, when CHAMPUS ends, the government-subsi-

Provo Mayor Joseph A. Jenkins called the library "great" during Tuesday's Provo Municipal Council meeting. However, that term may only be valid when comparing the library with its former building at 100 E. Center.

Raylene Ireland, mayoral administrative assistant, said in talking with the mayor, she believes Jenkins meant the new [illegible].

Waters also called the building "too noisy" and poorly planned to function well as a library.

Jenkins praised the library last Tuesday despite its "few inefficiencies." Now library board members must decide whether to accept the library as better than what they had before or recommend the city administration

The Daily Herald attempted to get a copy of the analysis after it was scheduled to be studied during the board's Oct. 10 meeting. Downey said then the city administration had requested that all copies of the analysis be given out through the mayor's office.

The report was given to board members separately from their [illegible] legal grounds to withhold it.

Scheduled as an information item on the Nov. 6 council meeting agenda, Jenkins and Downey came to council prepared to discuss the item.

However, council members did not have copies of the analysis placed in their regular meeting packets.

GOP may try converting Bill Orton

By PATRICK CHRISTIAN
Herald Staff Writer

When Republican Sen. Jake Garn called Democratic congressman-elect Bill Orton on Wednesday, he used the "R" word.

Since his surprising win in the Republican stronghold, the 3rd Congressional District, more than one proselytizing GOP leader has used the "R" word ("R" for Republican) in connection with Orton and a possible political conversion.

In Utah's overthrown 3rd congressional district, the new GOP motto might well be, if you can't beat them, convert them.

On Tuesday, when it was clear Orton the Democrat had pulled off a seemingly impossible upset victory, Republican Sen. Orrin Hatch, Utah's senior Republican congressman used the "R" word too.

"I'm going to embrace this man and get him to change parties," Hatch said.

On Wednesday it was Republican Jake Garn who called his newest fellow congressman from the Beehive State.

(See ORTON, Page A4)



AP Laserphoto

Newly elected congressman Bill Orton talks on the phone from his Provo campaign office.

North Ogden street home to two congressmen's families

NORTH OGDEN (AP) — Twenty-one-hundred North in this city seems to be on its way to its own majority in Congress.

It's got a good start anyway. Two congressmen now either call the street home, or at least visit their parents who live there.

It's a safe bet any strong political feelings on the street will get a direct line to Congress, or at least to the offices of Idaho Rep. Richard Stallings and Utah Congressman-elect Bill Orton.

Orton grew up in a house on Washington Boulevard in North Ogden that is still there. So's the house his father was born in, and his grandfather, and his great-grandfather. Orton's great-great-grandfather, John Orton, homesteaded 160 acres of North Ogden in 1857.

Bill Orton, now a Provo tax attorney, just blew the socks off both the Democratic and Republican parties by winning Utah's 3rd District congressional seat as a Democrat.

The district is considered to be about the most Republican district in the world, and neither the Democrats nor the Republicans thought Orton had a chance.

Orton's mother, of course, had "a feeling he could do it," but mothers are like that.

She's still irritated with the Democratic Party, though, because it wouldn't give her son any help, while the Republicans gave their candidate, Karl Snow, a visit from Vice President Dan Quayle.

Not that that hurt her son, Mrs. Orton said.

"I think that probably helped Bill more than hurt," she said. "People don't respect him (Quayle)."

The Ortons, Donald and Caroll, now live in a modern ranch-style house at 550 East crowded with

(See STREET, Page A4)

er benefits.

"There's was one thing they forgot to tell him when he was fighting for his country for 22 years," said Cox's wife, Terry. "You only get to keep your health insurance if you stay healthy."

Cox isn't alone. Many military retirees don't find out until it's too late about provisions that end coverage under the Civilian Health and Medical Program of the Uniformed Services — CHAMPUS — if [illegible] as "maintenance."

The couple has been left financially devastated.

"There's a lot of people out there who don't have the coverage they think they have," said Patrick DeLeon, administrative assistant to Sen. Daniel Inouye, D-Hawaii. "Trouble is, you don't hear about them until they're hit with a situation like this."

(See VETERANS, Page A3)

Israel offered face-saving way to accept riot probe

WASHINGTON (AP) — Israel has been offered a formula that could break an impasse over its refusal to accept a U.N. investigation into the killing of 20 Palestinians during a Jerusalem riot, diplomatic sources said Saturday.

The language, worked out with U.S. officials under the guidance of Israeli Ambassador Zalman Shoval, calls for United Nations Secretary General Javier Perez de Cuellar to send an envoy to Israel to discuss various Arab-Israeli issues, the sources said.

But the emissary's role would be described only in general terms, steering away from any mention of the Oct. 8 riot, which began when Palestinians threw stones at Jewish worshipers and ended with Israeli police killing 20 Palestinians, the sources said.

Israel so far has rejected any U.N. investigation of the killings.

The formula has been forwarded to Israel, and it likely will be debated Sunday by the Israeli cabinet, said the sources, who spoke only on condition of anonymity. But hardline members of the government are expected to oppose it, they added.

The formula also could run into opposition at the U.N. Security Council, which has adopted two resolutions calling for an investigation of the violence at a Jerusalem site revered by both Moslems and Jews.

In refusing an investigation, the Israeli government has cited years of U.N. hostility and concerns that such a probe would call into question Israeli sovereignty over Jeru-

(See ISRAEL, Page A3)

Index

Find it

Accent	F1
Arts/Entertainment	B11-C3
Business	B1-B3
Classified Ads	C4-C12
Crossword	C6
Farm-Garden	F3
Horoscope	B7
Legal Notices	C4
Lifestyle	B1-B10
Movies	C2-C3
National	A3
Obituaries	A4
Opinions	F4
Religion	D6
Sports	E1-E8
State	A5
TV Schedule	C2

Weather

Today will bring variable high clouds with unseasonable highs in the low to mid-60s. Tonight and Monday variable cloudiness, lows in the upper 30s and low 40s.

See Page A3.

Air Quality

Air quality remained good in all areas of the Wasatch Front, with a slight increase in pollution levels expected.

See Page A2

To enjoy the convenience of Daily Herald home delivery, call 375-5103

N000094

wards. She had served
worker in the Provo
rs.
by her husband of
er and a son, Mrs.
Jolley, Morgan Hill,
dy James Ellsworth of
ldchildren, four great-
ister, Mrs. Jack (Car-
Payson; a brother and
er in death.
Monday, 11 a.m. in the
ard Chapel. 60 S. Main
ll at Walker Mortuary,
ayson. Sunday 6-8 p.m.
nday, 10-10:50 a.m.
Payson City Cemetery.

n Curtis

urtis, 85, died Nov. 7,
24, 1905, in Aurora, to
tha
tle
eir
ren-
unti
ithe
by
one
ley
tis.
een
ake
hildren; 49 great-grand-
ister, Lena Crane, Rich-
e Monday, noon, at the
apel, 1750 S. 1300 E., Salt
e friends may call from
ime of service.
ments are under the di-
morial Estates Funeral
e City.
in Mountain View Memo-
115 E. 7800 S., Salt Lake

tha Winn

rtha Clementa Nuffer
da, died Nov. 9, 1990, of
in age at a Provo hospi-
une 9, 1900, in Mapleton,
Idaho, to Charles August
armer Miller. She mar-
Winn Feb. 9, 1921 in the
e of The Church of Jesus
day Saints. He died Oct.
tive member of the LDS
d Ward during all her
e held positions in the
Relief Society. Primary
was a member of the
ers Club serving in all
ns. She was active for
e Foreign Bureau Feder-
member of the Senior
and enjoyed playing in
ve three sons and four
(J. Winn Ferron, DeVon
Chad P. Winn, both of
; Joyce) Mikkelsen, Salt
Lloyd (Delores) Carter,
s; Rex (Melba) Cook,
Max (Christine) Nielson,
randchildren, 86 great-
ve great-great-grandchil-
r and two sisters, Pres-
Cafferty and Laura Al-
e Tuesday at 1 p.m. in
rd Chapel, 400 N. 100 W.
Monday from 6-8 p.m.
or to services at Ander-
e, 84 W. 300 N., Nephi.
in View Bluff Cemetery.

al obituaries

Lord Caccia
— Lord Harold Caccia,
ambassador to Wash-
d, the Foreign Office
day. He was 84.
his death on Oct. 31 in
ales, was not given.
ibed by contemporaries
ost skilled and effective
ts of his generation, was
gton in 1956 to restore
er the crisis over the
sion of the Suez Canal.
severely criticized over

once powered the Heber Creeper stopped in Ogden for the weekend before heading on to Texas and a new future.

The engine will be used to operate an "Orient Express-style" dinner-mystery train between Ft. Worth and Dallas, said Ed McLaughlin, president of Tarantula Corp., the company that bought the engine and five large dinner cars from the owners of the Heber Creeper scenic railroad.

operating in Heber Valley during the summer months.

The engine laid over in Ogden just long enough to be unloaded from a truck and placed in a flatbed train car.

McLaughlin said the company was able to acquire the engine after an attempt to expand the Heber Creeper into Park City failed.

"Steam engines are harder to come by these days, and we have a

the Heber Creeper, wanted to connect Heber Valley [illegible] Park City for a year-round r[illegible]onal railroad.

The steam engine, No. 1744, ran in Heber City for 10 years. Before that, it was on display for a number of years in Corinne.

In its heyday, the steam engine was used to pull short passenger trains in Arizona, New Mexico and California, McLaughlin said.

ry.

McLaughlin, a former Brigham Young University student who helped found the Heber Creeper before moving to Texas, said New London Railroad acquired the bulk of its equipment 15 years ago when the company was interested in expanding into Park City to run ski trains or tourist trains, for [illegible] skiers.

ORTON:

(Continued from Page A1)

"He called me to give me some advice," said Orton.

Orton has been taking advice from anyone on how to staff his campaign. He said Garn has been gracious in his willingness to help. Orton said he has also talked to Utah's 2nd District Democrat, Wayne Owens and received help.

"Did Garn used the "R" word?" Orton was asked by The Daily Herald in a post-victory interview Wednesday."

"Yes, he did use the "R" word," Orton replied, smiling.

But Orton said he thinks Garn used suggested Orton's changing parties more in a tongue in cheek manner than in a serious vein.

"I'm flattered by all this, but I can't conceive of a situation where I would change parties and I don't want people to give and credence to any of this," said Orton Friday evening.

After Hatch's use of the "R" word Tuesday night, Orton was asked if there was any chance of a conversion, and Orton said, "I think not."

Pressed about his use of the undecisive word,"think," Orton said, "I'm not a partisan polititian.

But he also said that he has always been a Democrat and both of his parents were Democrats.

Wednesday, Orton was sounding more like a Democrat partisan.

Asked again about even the remotest possibility of a conversion, Orton said — "It is very, very premature."

He said he liked being a conservative Democrat and was hopping for a little proselytizing of his own — converting liberal Democrats to more conservative stances.

"I would love to work on some of my liberal friends — bringing an influence on my party to bring them into the political mainstream," he said.

He said he wouldn't consider converting.

But said, "If I find that some time in the future that I can't represent my constituents as a Democrat, it wouldn't take two blinks of my eye to become a Republican."

On Friday, Orton said he is firmly convinced that he can be more effective as a Democrat in representing Utahns best interests.

He seems to use the "D" word more and more.

Orton left Saturday for Washington, D.C. were he was expected to do a little homework on the subject on being a Democratic congressman.

He said on Monday and Tuesday, he would be seeking funds to pay off his campaign debt.

He said the campaign doesn't owe anyone except himself. He said still left unpaid is a $60,000 to $70,000 loan from his personal bank account.

On Wednesday, Orton, a tax attorney, goes to Orlando, Fla. teaching attorneys and certified public accountants tax seminars. Then on Friday he goes to New York for another seminar. He returns Saturday.

STREET:

(Continued from Page A1)

pictures of the Ortons' five children and 13 grandchildren and Mrs. Orton's salt and pepper shaker collection.

Thursday, Donald Orton was in the back yard with the lawn mower, getting the leaves up. Two horses, one of them Bill's, grazed in a back pasture.

The street's other congressional connection is across the street from the Ortons and two houses down, where Beth and Howard Stallings live. They just got back from Boise, Idaho, where they saw their son Richard win his fourth term to Congress from southern Idaho.

Like Orton, Stallings is a Democrat.

Beth Stallings is, of course, proud of both sons. As soon as she got back, she called Caroll Orton to congratulate her.

The Stallings have only lived on 2100 North for seven years, so the two congressmen never played together as children.

Beth Stallings does remember Bill Orton, though, because she was a school nurse when Orton went to school.

"Oh, he was a fine boy, he was a smart boy," she said. "And I thought he did well in the campaign, didn't you?"

Remembering a student from so long ago is unusual, she admitted, "but Bill Orton was a very likeable boy, and very intelligent. I don't remember ever having any trouble with him."

Her own son, Richard, went to Ogden schools Mound Fort Middle School, Ben Lomond High School and Weber State College, so he never went to school with Bill Orton, who attended North Ogden Elementary, Wahlquist Junior High and Weber High School.

Since Orton is 42 and Stallings is 50, it is unlikely they even met at a football game.

They do know each other now, though, Beth Stallings said.

When Orton was [illegible] running for Congress, she went back and talked to Rich[illegible] it, and Rich said, 'Go for it [illegible] for it.'"

The Ortons are equally proud of their son, although Donald Orton is afraid his election will mean fewer hunting and fishing trips.

The Orton family was somewhat nervous about him running. They weren't afraid he'd lose; they were afraid of what would happen if he won.

"He asked, what would we think if he ran for the Congress, and my first reaction was, 'I don't like politicians,'" Caroll Orton said.

Donald Orton said Bill assured them that wouldn't happen. All he said is, he's not a politician, but somebody's got to do it," he said.

"He can see the unfairness of the way things are happening to different groups," Caroll Orton said, and the one thing he feels the nation really needs is "a complete revision of taxes."

Donald Orton said his son already has some experience in Washington, D.C., because of his tax business. In the early 1980s, he said, his son testified before a congressional committee on the savings and loan situation.

"He told them that unless they did something to change the way those savings and loans were doing business, they were going to go belly up," he said.

The Ortons said they never set out to raise their son a Democrat. They both vote split tickets, they said, and feel their son does the same.

Veterans' Day activities set

A flag ceremony and luncheon will be hosted by local veterans Monday to commemorate Veterans' Day.

The program will begin at 10:45 a.m. at the Provo Eldred Center, 270 W. 500 N. with a flag ceremony. A program will follow with a main speaker and musical numbers.

A free luncheon will then be served compliments of the Veterans Council of Provo. The program is being presented in conjunction with the Veterans of Foreign Wars, the American Legion and the Disabled American Veterans.

Also, veterans crosses will be available for a minumum donation of $10 at the Provo Cemetery office on Veterans' Day.

In Moroni, Veterans' Day ceremonies will honor Moroni Veterans and the Moroni Mini-Park will be dedicated on Monday, Nov. 12, 1990, at 12:30 p.m. at the mini-park location on Main Street and Duck Springs Drive.

Veterans (or a family representative) are invited to be involved as the Veterans of Foreign Wars raise the 5 by 8 United States flag.

The Moroni flag, which is being sewn by Miss Moroni Tina Sorensen, will be represented by former Moroni mayors, present Mayor Larry Freeman and the City Council.

The Moroni sign will be unveiled and represented by the Moroni Senior Citizens and the Moroni Sanpitch Camp of the Daughters of Utah Pioneers.

Groups and individuals who made contributions toward the costs and materials of the improvements and beautification of the mini-park will be recognized.

Students of the Moroni Elementary School will provide a short program along with band students of North Sanpete High School.

Alpine district plans training

Individuals wanting to substitute teach in the Alpine School District's Special Education program are being asked to complete a training session first.

The free training will be conducted Monday from 1 to 4 p.m. at

GIVE A LIVING GIFT
Flowers & Plants
For Every Occasion
VINEYARD GARDEN CENTER
435 South Geneva Rd. Orem
Grants Plants
225-4357

PROVO FLORAL
"Our Flowers Say What The Heart Whispers"
197 North 500 West
Provo 373-7001

ROHBOCK'S FUNERAL FLOWERS
1042 S. State St., Orem
225-3100

VALUABLE COUPON
HEARING AIDS REPAIRED
SAME DAY SERVICE
(Conditions Permitting)
$65 OR LESS
6 MONTH WARRANTY
Repair price may be credited to new hearing aid within sixty days.
ALL BRAND HEARING SERVICE
234 W. CENTER, PROVO
PHONE 375-4146

ALPINE FLORAL ARTS

N000095

Pons Will Return to U. for Fusion Review, Says Attorney

By Tim Fitzpatrick
Tribune Staff Writer

The state Fusion/Energy Advisory Council Thursday voted to send a letter to University of Utah President Chase N. Peterson insisting that cold fusion researcher B. Stanley Pons return to Utah Nov. 7 to cooperate with a scientific review panel.

During a meeting of the council at the Capitol, Assistant Attorney General Joseph Tesch telephoned Dr. Pons' attorney in North Carolina, C. Gary Triggs. That led to a conference call with Mr. Tesch, Mr. Triggs and Dr. Pons in which Dr. Pons agreed to return from his undisclosed location in Europe for the review, Mr. Tesch said.

After more than a year of accommodating the elusive chemist and his colleague, Martin Fleischmann, council members indicated they can no longer consent to their spending state money without sharing their scientific results with anyone.

"We feel very strongly about the need for their accountability," said council chairman Raymond L. Hixson.

Dr. Peterson said the university would make an effort to have Dr. Pons there. "A university has to insist on accountability for its faculty and students and everyone else, including administration," he said.

"Therefore, if Dr. Pons and Dr. Fleischmann receive support, they have to make their results accountable."

The two men spent $1 million of $2.1 million in state funds spent on cold fusion research in the fiscal year ended June 30, and they have declined to share their data with other scientists at the National Cold Fusion Institute or publish any scientific papers on it.

"In essence, we've coddled them, quite frankly," said Utah State University Provost Karen Morse, one of the two scientists on the council.

In discussing the content of the letter to Dr. Peterson, the council stopped short of threatening to withdraw their funding if they did not cooperate, but they said the letter should make it clear they will not fund the research blindly.

National Cold Fusion Institute Director Fritz Will, who has been among the two scientists' most fervent defenders against an onslaught of scientific criticism, also expressed disappointment with their lack of cooperation.

Dr. Will said he had made consistent efforts to contact Drs. Pons and Fleischmann to have them attend Thursday's meeting, including a faxed message a week ago to Dr. Pons that called his attendance at the meeting "mandatory."

The chemists' lawyer, Mr. Triggs, told *The Tribune* Wednesday that Dr. Will had made no attempt to reach Drs. Pons and Fleischmann through him, but Dr. Will said he will not work with a fellow scientist through his attorney.

"I'm not willing to discuss science through a lawyer when the scientists are working for the National Cold Fusion Institute and receiving state funds," Dr. Will said.

An Associated Press report quoted Dr. Fleischmann, who is at his home in Tisbury, England, as saying he was "infuriated" and accused university officials of not acting in good faith in trying to contact him about the meeting. Dr. Will dismissed that as a "tasteless" accusation.

Mr. Triggs told *The Tribune* Wednesday that Drs. Pons and Fleischmann have been constrained in what they can report by patent considerations on the research, but council member and state science adviser Randy Moon dismissed that because council members have signed a "confidentiality agreement" and represent the state, which is is the ultimate owner of any patents.

Uncertain whether the two men would cooperate, the council voted to go ahead with a planned scientific

See B-2, Column 4

9600000N

The Salt Lake Tribune **State/Local**

Friday Morning—October 26, 1990
Section B Page 1

Army Moving to Clear Up Safety of Red Butte Dam



Tribune Staff Photo by Al Hartmann

Ed Richardson, Army engineer at Fort Douglas, stands atop Red Butte Dam. The Army has offered, as part of a transfer plan, to pay for a study to determine the 60-year-old earthen dam's vulnerability to floods or earthquakes.

Resolution Runs in Tandem To Giving Reservoir to S.L.

By Dan Harrie
Tribune Staff Writer

After eight years of foot dragging the U.S. Army appears to be moving forward to resolve unanswered safety questions about the Red Butte Dam east of Fort Douglas in tandem with a possible deal to turn over the irrigation reservoir to Salt Lake City.

The Army has offered as part of the transfer plan to finally approve and fund a scaled down version of a Phase II study to determine the 60-year-old earthen dam's vulnerability to floods or earthquakes, LeRoy Hooton Jr., city Public Utilities director, said Thursday.

Mr. Hooton said he is recommending approval of the proposal, which is slated for consideration of Mayor Palmer DePaulis next week. The offer includes $50,000 in Army funds and in-kind assistance from the Army Corps of Engineers to complete the study.

We would have to be assured that if it's acquired by the city it would be in top-notch shape," Mr. Hooton said.

Those assurances have remained elusive for years, despite increasing pressure on the Army from the Forest Service and state Dam Safety Office to follow through on a 1982 Army Corps of Engineers report that pointed out serious concerns and called for a comprehensive analysis of Red Butte.

Calculations in that first phase study predicted a worst-case flood under certain conditions would overtop the dam and probably cause it to fail. Experts say the chances of such a flood are so remote as to be close to zero.

But almost all officials agree more analysis and at least some improvements are long overdue.

Because of the unpredictability of a large storm and the consequences of a dam failure, it is recommended that a Phase II report be initiated as soon as feasible," the Corps of Engineers concluded in their 1982 report.

The probable consequences of a catastrophic failure of Red Butte Dam are extensive loss of life and property damage.

"How many people would lose their lives, I don't know. That's why we need to do a study," Richard Hall, directing engineer for the Utah Dam Safety Office, told *The Tribune*. "It's certainly important enough that it needs a lot of attention."

It's not a disaster up there wait-

See B-2, Column 1

Creeper Railroad with a nearly $500,000 tax lien that directs the railroad to not dispose of, move, or even use, its rolling stock and three of its locomotives.

The lien, the outgrowth of months of dispute between the railroad and the state over back sales taxes and

pany spokeswoman said.

The order came hours after a Heber City railroaders organization announced it was hoping to take over the railroad and upgrade and expand the operation.

Susan Holdaway, property manag-

tions for a trial run Saturday, and while the railroad can still field a train with a diesel engine not attached by the lien, the cars that are not touched by the order have no restrooms.

Ms. Holdaway said the company "feels like it's been denied due pro-

jected and the state withdrew an offer to the railroad's owners to buy the operation for $1,130,150. Immediately, the railroad's president, Lowe Ashton, said he felt the failed agreement left him no choice but to drop the proposed winter schedule

tion with the Utah Railway Historical Society, held a press conference at Bridal Veil Falls in Provo Canyon, site of the Heber Creeper's former western rail terminus, to announce it wished to take over the railroad and "return [it] to a fun, family activity."

SANDY — A 12-year-old boy died Thursday morning and another boy was injured when both were struck by a vehicle while crossing a street in a school zone.

Tommy Jensen, Sandy, was flown by helicopter to Primary Children's Medical Center, where he was pronounced dead at 9:30 a.m. from multiple injuries, police said.

Brian Jensen, 13, Sandy, (the two boys are not related) was treated for multiple injuries at Alta View Hospital and later released, a hospital spokeswoman said.

The accident occurred at 7:45 a.m. in a crosswalk at 1300 E. Sanders Road (11625 South), as the boys walked to nearby Indian Hills Middle School, said Sandy Police Officer Tom Tuft.

Brian Jensen told police that he and Tommy Jensen were walking side by side and talking, and that he did not see the small pickup truck until it was almost upon them, according to Officer Tuft.

When Brian Jensen saw the truck, he stopped, took a step backward and was struck a glancing blow. Tommy Jensen, however, was hit squarely by the truck.

The driver of the truck, Douglas Knight, 30, Sandy, told police he did not see anyone in the crosswalk. Sgt. Craig Pedersen said the man was apparently watching other cars entering 1300 East from Sanders Road.

It appeared the man was driving faster than 20 mph, said Officer Tuft, the effective speed limit whenever children are present in the school zone.

Because a number of school-age children either witnessed the accident or its aftermath, the Jordan School District's crisis team was sent to the school to counsel them.

Meanwhile, police, city traffic engineers and school officials "brainstormed" to see what, if anything, could be done to prevent further accidents at the intersection.

Some residents say the school zone signs are not enough and want the crossing protected by flashing lights during school hours.

Barbara Peterson, who lives across the street from the boy who was killed, said she and others "fought and fought" with the city to get school zone signs posted at the intersection. But they lost the battle for flashing lights.

"I said, 'You'll wait until somebody gets killed ... now my best friend's son is dead,'" Mrs. Peterson said, sobbing, during a telephone interview. She said her daughter was almost hit by a car in the same area last week.

Sandy City Transportation Engineer Mike Frisbie said flashing lights are seldom installed at middle or high school crossings because of a state regulation requiring an adult crossing guard to be on duty, and because students that age are expected to "know what they should be doing."



—Tribune Staff Photo by Al Hartmann

From his hospital bed, Larry "Dub" Richards campaigns for the District 52 seat in the Utah House of Representatives.

For Determined, Optimistic Candidate, 'Campaign Central' Is a Hospital Bed

By Mike Gorrell
Tribune Staff Writer

Larry "Dub" Richards would like nothing more than to walk into the state Capitol on Jan. 14 and take a seat in the House of Representatives.

It won't be easy.

For one thing, his main opponent is Daniel Tuttle, a two-term incumbent and a Democrat in a traditionally Democratic district.

A greater hindrance is the effect of a mid-September traffic accident. Mr. Richards currently is paralyzed from the lower chest down.

He's confident he'll walk again.

That optimistic outlook has prompted him to remain in the race for the House seat from District 52. Rather than going door to door or shaking hands with constituents at Magna shopping centers, however, he's conducting his campaign from a bed in the Intermountain Rehabilitation Center at LDS Hospital.

"Hopefully I'll be out of the hospital next week," Mr. Richards said, the movement of his eyes contrasting with the rigid positioning of his head in a steel brace.

"I'll campaign in a wheelchair if I have to. I still have the full use of my mind and hands and can represent my district well, even if I can't walk."

Two months ago, the 33-year-old self-employed businessman and father of six — Ariel, 8; Uriah, 6; Sheah, 5; Maleshah, 3; Audrayah, 2; Irah, 5 months — felt his campaign for elected office was right on track.

Mr. Richards had joined the Republican Party, recognizing that an affiliation with one of the two major parties was necessary to advance in American politics.

He learned that in 1989 when he mounted a little-noticed write-in campaign for governor. That experience gave him exposure to the media and election tactics, but not the forum to express his ideas for improving government systems and ending the country's moral decay.

GOP membership provided the forum.

But then the car pulled out.

It was early on a Sunday morning. Mr. Richards was driving his motorcycle eastbound on 3500 South, on his way to the State Fairgrounds where he had a booth advertising his private investigation business and an array of home self-sufficiency and preparedness products — food reserve units, First Aid kits, fire extinguishers — acquired as a manufacturer's representative.

"For years I'd been driving defensively on my motorcycle," he insisted, "because I know so many people who have cracked up on their bikes. I was just going to have a mellow drive."

By the time he saw the car pull out of a small parking lot, it was too late. He couldn't swerve or drop the motorcycle. "It hit me totally unexpected."

Next thing Mr. Richards knew he was in a medical helicopter on his way to LDS Hospital. He's been there ever since.

He knows he crushed his metal gas tank with his knees. He heard he flipped over the car's hood and did four somersaults before landing on his back in the street. He has a mental image of the moment of impact.

Mr. Richards said the initial prognosis at the hospital was not good. He'd be a paraplegic the rest of his life. A second medical opinion offered more hope, however. He underwent surgery to repair a broken vertebra and remove a bone chip from near his spine.

The doctors, he said, are still uncertain whether he'll regain the use of his legs. "They say sometimes it takes two weeks, sometimes two years. And some doctors say don't get your hopes up.

"But I very much believe I'll walk again," he said. "With God's help, I'll walk again."

Orton Denies 'Bobbsey Twin' Link as Snow Steps Up Attack

By Douglas L. Parker
Tribune Political Editor

Republican congressional candidate Karl Snow hung a "Bobbsey twin" moniker on his angry Democratic foe Bill Orton during a University of Utah debate Thursday.

Mr. Orton viewed the appellation as nonsense, and called it "a failed attempt at humor" in a 3rd District campaign that simmered on other fronts as well.

● The Democratic Party chairman announced results of a public opinion poll commissioned by the party, which, he interpreted, shows Mr. Orton having a crack at winning in the nation's most Republican district.

● The Snow campaign organization announced that the state's senior U.S. senator, Jake Garn, will come to bat for Mr. Snow at a Provo Holiday Inn fund-raising dinner Friday at 6:30 p.m., hosted by the retiring Congressman Howard Nielson.

● The Republican Party chairman was asked, separately, to initiate a third inquiry — an impartial judicial panel — to evaluate Mr. Snow's five-year-old participation in a penny-stock venture. Mr. Snow requested the action in a letter, with hopes of laying to rest "daily distortions and distractions" by others challenging his integrity.

The subject prompted the personal exchange between contenders at a Hinckley Institute of Politics appearance. Earlier this week a Utah County businessman, Scott Norton, led an effort to distribute anti-Snow flyers with the backing of some disgruntled business investors.

Mr. Orton, in concluding debate remarks, described Mr. Snow as accusing him of breaking federal election laws by stating that the Democrat could be behind the so-called independent attack. "That's absurd and untrue," Mr. Orton said.

The Democrat said he wouldn't bring up in the debate any questions over the stock-investment incident, and he would appreciate Mr. Snow refraining from any innuendo that he's connected to Mr. Norton's actions. "This comes from your side," Mr. Orton said.

Mr. Snow countered that he only pointed out the relationship between Mr. Orton and Mr. Norton, the latter described as a former member of the same LDS ward as Mr. Orton, and a close personal friend of the Democrat. Mr. Snow said he suggested there only could be law violation if the attack were a concerted one.

The Republican then reiterated the words, "Orton and Norton," and

See B-2, Column 5

N000097

9 7 0 4 3 8 3 0 7 0 4 2

Fusion Being Verified, Institute Director Says

By Tim Fitzpatrick
Tribune Staff Writer

ational Cold Fusion Institute Director Fritz Will told council nbers of a growing body of evidence around the world in support old fusion, but he acknowledged that most of the work nowadays is in pursuit of the mysterious "excess heat" which the University of h hoped would lead to commercial energy production.

ther researchers around the world have reported evidence of lear products, including neutrons, tritium and X-rays. But even if r results are taken as evidence of nuclear fusion, the amounts are below the energy put into the system to create the effects, meaning alue as an energy source is limited.

r. Will and other institute scientists, excluding Stanley Pons and tin Fleischmann, presented summaries of their results from the t year Thursday to the state Fusion/Energy Advisory Council.

aven Bergeson, who heads the institute's physics group, presented idence of small amounts of tritium, which is produced in nuclear on reactions. Although the amounts were only slightly above back- und levels, the experiments did appear to solve one of the most strating parts of the research, reproducibility. Dr. Bergeson said effect was seen in eight out of eight cells.

he results still did not convince Douglas Morrison, a physicist n the European nuclear laboratory CERN and cold fusion skeptic was present at Thursday's meeting. He said the amounts of triti- are so small that they cannot be taken as evidence of fusion.

esides Drs. Pons and Fleischmann, who have so far declined to ase their results, only one group of institute scientists, the engi- ring group, reported seeing any excess heat in the past year. That only one event lasting about 10 days last February. It occurred in of seven cells run in the experiment, and the others turned up hing.

rs. Pons and Fleischmann originally reported getting four watts of ess heat for every one watt of electricity coming out, a 300 percent rease, and "bursts" of heat that reached up to 5000 percent.

ut their more recent results have claimed only in the 20 percent to percent level, according to Dr. Will.

lost scientists attributed the lower amounts to scientists, including Pons and Fleischmann, perfecting the experiment and eliminat- many measurement errors contributing to the high results.

ut Dr. Will is not ready to dismiss the earlier, higher results. It is hypothesis that those early "dirty" experiments provided the un- wn catalysts to trigger the large amounts of heat. He said he has an about a triggering mechanism, but he did not want to discuss it the press. "I think the group in India is already on to it."

ne recent excess-heat experiment which has buoyed Dr. Will and ers is the unusual work of two University of Hawaii researchers ran their device using molten salts at about 650 degrees fahren- They claimed to produce heat levels around 600 percent, with k levels of 1500 percent.

ut Dr. Morrison said he saw a paper on that work presented in vaii, and "they haven't made all the checks. It's still too early."

Pons to Return To U. for Fusion Review

Continued From B-1

review on Nov. 7, when four outside experts will be brought to the institute at Research Park for a one-day briefing.

The experts will receive all the data from institute researchers other than Drs. Pons and Fleischmann, Dr. Will said. He hoped Dr. Pons' indication that he would return for the meeting meant that their studies would also be available to reviewers.

The reviewers will later give a written report of their findings to the university and the fusion council.

The review was prompted by U. College of Science faculty, who were upset by the U. administration's quiet transfer of $500,000 to the institute, which became public in June. The faculty members were most concerned by of the lack of scientific accountability of Drs. Pons and Fleischmann.

College of Science Dean Hugo Rossi said he believes the review should proceed even without the two chemists in order to protect the integrity of other scientists at the institute, some of whom are in his college. "If some researchers are recalcitrant, I don't think other researchers should suffer for that recalcitrance."

But Council member and USU physicist Wilford Hansen was concerned that a review without the two men could be "a terrible blow" because it would not address the central issue of their accountability. Other scientists at the institute have been giving talks on their research and cooperating with other scientists.

"It's a no-win situation if they aren't there," he said. "People around the world could make us look like fools."

Dr. Will said the review was crucial to the institute, where efforts to raise outside money have been unsuccessful thus far, and one potential contributor, the Electric Power Research Institute, has held back its commitment pending the review.

"Our chances of receiving external funding are virtually nil without the external review," he said. "We would become the laughingstock of the scientific community . . . if at this point we did not go through with the review."

So far the institute and patent attorneys have spent all but about $1.3 million of the original $5 million state appropriation. Under the current budget, the rest will be gone by June 30, 1991.

The council had originally planned to discuss budgeting and patent issues at the meeting, but time ran out. The council scheduled another meeting for Nov. 8.

No 'Bobbsey Twin' Link, Orton Says in Debate

Continued From B-1

commented the two men were called the Bobbsey twins in school.

That ended the public debate, but Mr. Orton told gathered news reporters that he didn't go to school with Mr. Norton, they aren't close friends, and he had never heard such a characterization. His first acquaintance with Mr. Norton was six years ago when Mr. Norton, with a girlfriend, attended a ward chapel where Mr. Orton was among the leadership.

Meanwhile, Democratic State Chairman Peter W. Billings announced "head-to-head" results of a poll with 411 respondents taken over three days last week by a Denver firm. It showed Mr. Snow leading 39 to 29 percent, with 32 percent undecided. The two registered equally in Utah County, the GOP heart of the district, Mr. Billings maintained.

Another poll was taken in which the candidates weren't identified, said Mr. Billings. Respondents were asked who they would prefer between a young tax attorney who has never held public office, and an older, former state legislator who has been subject to questions about stock dealings. The result was reversed. Mr. Orton, 49 percent; Mr. Snow, 31 percent. The remainder were undecided.

"The point is, neither candidate is known well, but if Mr. Orton can get his message out, he can win," Mr. Billings said. Republican officials immediately labeled the polling based on blind, subjective candidate descriptions as meaningless.

"There cannot be any validity in a poll that pushes the voter in a certain direction with the likes of such questions," said Greg Hopkins, Republican Party executive director.

There was no immediate response from Republican State Chairman Richard Snelgrove on whether the Snow-requested judicial panel can be organized prior to the election — 12 days away. Mr. Snow has already had panels of attorneys and accountants report that they haven't found any impropriety in his investments or finances.

But still the electorate is subjected to "scurrilous and fallacious" attacks on his character by discredited individuals, some of them lawbreakers, Mr. Snow said.

ISAAC ASIMOV'S SUPER QUIZ

Take Isaac Asimov's Super Quiz to a Ph.D. Score 1 point for each correct answer on the Freshman Level, 2 points on the Graduate Level and 3 points on the Ph.D. level.

Subject: SECONDS All answers are two-word expressions starting with "second."

FRESHMAN LEVEL

1. A fielding position in baseball
Answer_____

2. Previously used
Answer_____

3. A red ribbon
Answer_____

GRADUATE LEVEL

4. To reconsider from hindsight
Answer_____

5. Renewed energy for effort
Answer_____

6. One who fills a subordinate role
Answer_____

PH.D. LEVEL

7. Acquired ingrained habits
Answer_____

8. A deed of kindness beyond the demands of duty
Answer_____

9. Dotage
Answer_____

ANSWERS:

1. Second base. 2. Second hand. 3. Second prize/place. 4. Second guess 5. Second wind/breath. 6. Second fiddle/string/banana. 7. Second nature. 8. Second mile. 9. Second childhood.

SCORING:

18 points — Congratulations, doctor; 17 to 15 points — Honors graduate; 14 to 10 points — You're plenty smart, but no grind; 9 to 4 points — You really should hit the books harder; 3 to 1 points — Enroll in remedial courses immediately! 0 points — Who read the questions to you?

© 1990 Ken Fisher. Published with permission of Ted Goldstein Enterprises North America Syndicate, Inc.

al Assistants, State Bar to Host Seminar

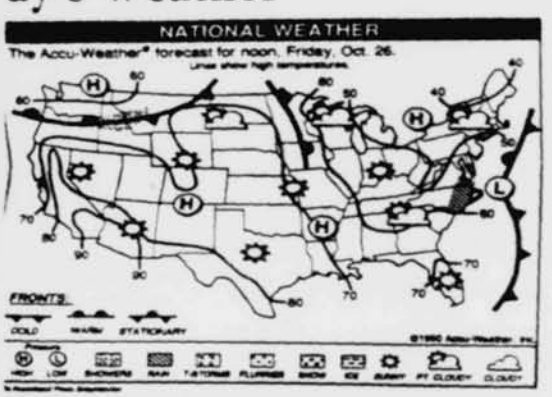
Fourth Annual Utah State Bar gal Assistant Association of o-sponsored seminar will be ov. 9 at the Law and Justice , 645 S. 200 East.

seminar will focus on the techniques for managing an ve litigation and will take a look at trial practice and the relationship and function of the attorney-legal assistant team.

A panel discussion will address the ethical division of duties of legal assistants and attorneys.

For more information, contact Toby Brown at the Utah State Bar.

ay's Weather



Area Forecast

...theast Utah — The forecast for the ... upper 70s, with lows in the upper 40s. Flaming Gorge will have highs in the mid-60s ...

ANNIVERSARY SALE

N000098

"We have so many words for states of the mind, and so few for the states of the body."
— Jeanne Moreau, French actress

Opinions

Why not negotiate?

Herald comment

George Bush, while still more popular than Congress, has seen his popularity skid dramatically in recent weeks. We think the drop was mostly due to the president's flip-flops on new taxes and on the federal budget. The political damage to Mr. Bush may be relatively minimal in the long run, but the Persian Gulf crisis has the potential to be his undoing.

Lyndon Johnson was never able to extricate himself from the quagmire of Vietnam and the anti-war sentiment beat the proud Texan into the ground. The results could be the same for our sitting president if Americans start coming home from the Middle East in body bags.

Saddam Hussein has indicated willingness to negotiate a settlement of the Kuwait mess if the Palestinian homeland question can be addressed at the same negotiations. The U.S. reaction was a resounding no.

Why not negotiate both problems at the same time? Both must be solved, sooner or later with sooner being the preferred time frame. The stock answer would be, "We must not allow Saddam any satisfaction. He must be shown he cannot commit naked aggression and get away with it."

Well, it certainly would be good for American egos, the president's included, if we "punish" Saddam for his sins. But is punishment of one brutal ego-centric worth major disruption to the world economy and, more importantly, thousands of lives?

Little more than a year ago, one would have been certified crazy for daring to predict the events in Germany and the Soviet Union over the past 12 months — the Berlin Wall fell and communists are a vanishing breed. What if there are a few more miracles in reserve?

Would it be too high a price to pay for peace and Middle East stability to give Saddam a face-saving way out? What if he would withdraw from Kuwait and "retire" to a life of isolated opulence in exchange for being labled as a man who "saw the light, changed his ways, and helped find a solution the the Palestinian problem?"

Saddam could be a hero, Bush could be a hero, and a lot of young Arabs and Americans could go on living.



Letters

Library inadequate

Editor:

I was glad I was sitting down (a serious accident was thus avoided when I almost went into a dead faint) as I read the mayor's reaction to the obvious conclusion of the consultant's report that the 18-month-old library was inadequate. "It's still a great library."

Yes indeed, anything was certainly better than the 1936 edition of the old library, but the mayor demonstrated a complete lack of foresight when it came time for the new

Let's bond them

Editor:

Read my lips, no more taxes. I guess everyone knows the politician that made that false promise. Would he have said that, if he had put up a performance bond on

media should be telling this story, but they aren't. The best account so far is in the AIM Report. It is avaialble for $1.25 from AIM, 1275 K Street NW, Washington, DC 20006.

Mili Galli
Manti

More than a matter of black and white



Will Grigg

ABROAD

Like a cocker spaniel summoned by the trilling of a high-pitched whistle, your typical liberal is sensitive to signals inaudible to humans. For example, liberal pundits and politicians are exquisitely sensitive to "code words" that are supposedly freighted with racism, sexism and other evils. Such "code words" are unintelligible to the unenlightened — that is to say, those of us not numbered among the liberal illuminati.

During the waning days of the recent senatorial campaign in North Carolina, the [illegible] campaign produced a televi-

a theristic spasm of logic: immediately after conceding the legitimacy of the issues

member of the Milwaukee legislature, Williams was the state campaign coordinator for the Jesse Jackson presidential bid in 1988. When she first entered the legislature, she was the darling of the Milwaukee press. Of late she has become anathema. What has happened?

This fall, the Milwaukee public school system began an experimental voucher system. By allowing parents to choose the schools to which their children will be sent the resulting competition will provoke improvements in the quality of education offered at the schools. The plan is a direc

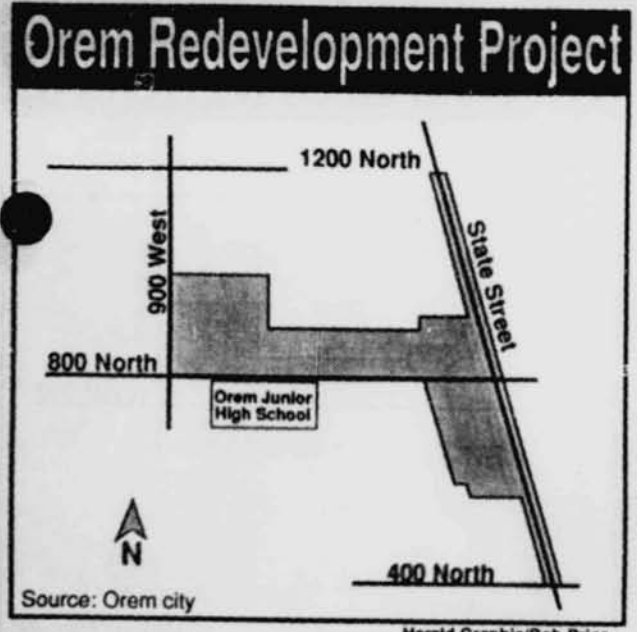
660000N

The Daily Herald

Also in this section:
☐ Obituaries B2
☐ Opinions B4
☐ Sports B5-B8

Local

Wednesday
Nov. 14, 1990
B1



Herald Graphic/Bob Price

Auditors give school district 'thumbs up'

Only minor changes are suggested

By KAYLENE NELSEN
Herald Senior Reporter

Provo School District received a clean bill of health from an independent auditing firm, with only minor changes suggested including the creation of a policy on how to handle interest earned.

Sid Gilbert of Gilbert and Stewart, which conducted the audit, presented a report to the Provo School Board Tuesday night. Besides the policy, he suggested three other changes.

He said control over school lunch money needed to be strengthened, that the district needed to have a bond in place to cover Lynn Smith who handles the district's finances, and schools need to make sure all funds are deposited within three days of collection.

Gilbert praised district officials for the way the district is managed. "Lynn Smith and his staff do an excellent job," he said.

Board President David Weight said the district has already implemented the three minor changes. The board went on to approve a written policy on what the district has done for years. That policy calls for interest earnings on investments to be put into the maintenance and operation (general) fund while interest on property taxes be allocated to each fund which receives the taxes and in the proportion each receives taxes.

In other business Tuesday, the board studied a policy on having mileage and meal allowances reflect standards set by the Internal Revenue Service. Right now that would mean mileage would be reimbursed at 26 cents a mile. Also, $26 a day would be allowed for meals in many cities, with $34 in high cost areas such as San Francisco, New Orleans and Las Vegas. The district had been paying $20 a day for any city where district officials are on business. The board will vote on the issue next month.

The board voted unanimously to nominate board member Mossi White for the position of second vice president of the Utah School Board Association. That election takes place in January.

The board also approved a rate schedule and policy on rental of school facilities. Board member Gayle Chandler raised concerns that the only two schools available for free use by such groups as Boy Scouts are Provo High and Dixon Middle. She said the demand may be too much for these facilities, particularly Provo High. It was pointed out that Farrer Middle and Timpview High, which do not have community school classes at night like Provo and Dixon, do handle city recreation programs.

Weight raised concerns about allowing stage hypnotists to rent the facilities and the board settled on wording in the policy that principals will have the discretion to restrict use of the facilities for inappropriate activities.

A new assistant principal has been named at Timpview High School. Brad Monks, now a principal in Roosevelt, will take the position beginning Nov. 26. "It's a great opportunity for me," he said in accepting the position Tuesday night.

Agency OKs district, despite concerns

By ROBB HICKEN
Herald Staff Writer

Despite concerns raised by residents in the affected area, Orem's Redevelopment Agency approved the creation of a 136-acre redevelopment district.

Residents struggling to understand what the creation of such a project does to their property values and rights asked for help and guidance Tuesday night in the Orem Council Chambers.

The commission, which consists of the members of the city council, voted 6-1 to create the area. The RDA proposal must now go before the city council for a public hearing and final approval.

Commission member Kelvin Clayton voted against all four reso-

assessed value for taxing purposes is established and a certain percentage is distributed to the different taxing entities — schools, water and sewage districts. The RDA receives any taxes collected on an increased assessed value.

The increased tax revenues are used for improvements to the area, or as inducements to get more businesses to invest in the blighted area, which generates higher assessed values.

Resident Russ Evans asked what possible rights he would lose if the proposed RDA was to be formed including his property.

Evans, owner of two land parcels in the proposed RDA, was concerned he would no longer be able to develop his land.

RDA Chairman Blaine Willes

Task force told more student housing needed

By JOSEPHINE ZIMMERMAN
Herald Staff Writer

One solution to the critical shortage of rental housing in Utah County would be to have Brigham Young University and Utah Valley Community College build more on-campus housing for their students, the Housing Development Task Force was told Tuesday.

The Task Force was formed two months ago to explore ways of solving the housing shortage, particularly for low-income and handicapped people.

Doug Carlson, chairman of the subcommittee on assisted housing, presented a report recommending that the two schools build more housing, which would then free up housing in the communities.

He said approximately 84 percent of BYU's daytime students are from outside Utah County. The university at present provides 5,346 rental spaces on campus for its single students and 958 apartments for married students. BYU is the largest landlord in the valley.

His report noted, however, that the amount of housing BYU provides accommodates only 27 percent of its single students and 16 percent of its married students. Most of the 7,500 married students have low incomes and are temporary residents of the local communities. Thus, most of these students have a need for basic rental housing designated for low-income families.

Married student couples must compete with other low-income renting families in Utah County for rentals which are in short supply. Both students and local renters suffer from this competition and the hardship of finding decent, low-rent housing, the report said.

UVCC does not provide on-campus housing for students, but the subcommittee recommended that the school should start a housing program by building rental units.

Some members of the task force pointed out that UVCC has no intention of building student housing until its campus building program is complete; in fact, under its charter it is prohibited from building housing.

Carlson said his subcommittee believed the recommendation should be left in the report because of the critical nature of the housing shortage.

The committee report recommended that the task force should draft letters to both schools encouraging them to build rental units for families and married students in order to help relieve the shortage and also provide relief from the traumas of a housing shortage for their own students.

The subcommittee also recommended the creation of private, non-profit development corporations to provide housing for low-income people.

Non-profit organizations may have access to funding resources that are otherwise unavailable to governmental or private for profit entities, the committee reported.

The subcommitee also emphasized that the housing shortage can have an impact on continued economic growth of the community. Corporations considering moving to Utah County may be dissuaded from locating here if there is a shortage of adequate and affordable housing.

N00010O

between 400 North and 1200 North and between State Street and 900 West. The additional 42 acres is owned by the city.

According to Development Services staff, the central aim in selecting this portion is to "facilitate an orderly revitalization of several unused, dilapidated, and/or unproductive commercial properties. Additionally, beautification projects may be employed to enhance the visual image of this northwestern part of the city."

"This is particularly crucial in light of Orem's need to prevent erosion of its economic base by providing commercial development consistent with the demand for that development," the resolution states.

The project area is surrounded by residences of persons with middle- to low-income levels. Generally these residences are well kept, the report states.

When such an area is created, a freeze is placed on all taxes generated within the district. A base

ties, they have never exercised that right. We've left it to the property owners to work that out."

Resident Sheila Harris also was concerned about property her family owns within the RDA.

Harris asked what affects the RDA would have on agricultural property and what would happen to it if the proposal passed.

Willes replied, "The council has always enjoyed agriculture, and, but at some point most of those owners are not going to continue to use the land, and when someone comes in and makes them a good offer, they're going to sell."

Due to that fact, the RDA will establish the necessary guidelines for usage of agricultural land once it is sold, he said.

Scott Madsen, representing a trailer park in the area, spoke out asking if the current landowners were protected against the threats of RDA take over.

Willes insisted that one of the resolutions put before the commission is to ensure the relocation of anyone being displaced by RDA.



Herald Photo Tamara Sneddon

Gov. Bangerter speaks to Westridge Elementary School students, from left, Kelly Larsen, Codilyn Kendell, Stephanie Babcock, Beth Roskelley and Paul Walker. Special ed and regular students have been successfully integrated at the school.

Orem OKs alcoholic beverage ordinance

By ROBB HICKEN
Herald Staff Writer

Orem City Council approved a new alcoholic beverage ordinance Tuesday night which goes beyond state guidelines.

Recent legislation enacted to make alcoholic beverage laws uniform statewide were reviewed by the council last month. Council members sought to maintain some local controls while accepting the state laws.

City Attorney Paul Johnson presented the council with an agenda city code designed to supersede some portions of the the state's law.

Johnson said while 11 specific areas are mentioned, two areas are clearly more stringent; the sale of beer by 18-year-old or younger clerks, and the prohibition of topless entertainment in on-site consumption establishments.

"In convenience that means that owners will have to have a clerk that is 21 years old," Johnson said.

He expects this may cause some hardships for some businessmen, but according to state officials the law could be interpreted in the city's favor.

Mayor Blaine Willes said, "If we're going to administer it that way then we better make sure that all the businessmen understand it."

Orem currently has no topless bars, but Johnson said the ordinance needed to address the subject for future reference.

Other areas which were changed include:

- The city will no longer license establishments for on-premise consumption.
- A state license and city consent will be required for on-premise consumption.

Bangerter praises Westridge for its program

All involved honored for integration of special education and regular students

By ROBB HICKEN
Herald Staff Writer

Gov. Norm Bangerter praised teachers, students and parents at Westridge Elementary School for successfully integrating special education and regular students.

Bangerter stopped by Tuesday morning to tour classrooms, hear presentations and receive special recognition from students in connection with the state's program "Shift in Focus."

"We sometimes have too many committees and studies to help schools," said Bangerter to about 30 teachers.

Last year alone more than 300 studies were done on education, he said. Those studies attempted to pinpoint the upcoming challenges facing society.

"We have a lot of people come to us and ask what they can do for the schools," he said. "I tell them, 'Go to your school and help your school.' "

Westgate Elementary has been noted for its strides in trying to implement the program.

"I've been here before, and you have to be elated about what's going on," he said.

The changes are designed to mix students of all learning levels into a single classroom rather than segregating the special education students.

The classroom then becomes student centered rather than program structured, Instructor Vickie Webb said.

"Where before they were separated and individual, they are now together and accepted as a sixth-grade class," she said.

Webb added that many of the students who are special education students no longer consider themselves as such, and that benefits theirself-esteem.

The experiment is one of many the school is implementing in response to the movement to restructure education supported by the State Board of Education to make programs and services more student-centered.

Bangerter stressed that the most important thing a parent or community member could do for society is to "get involved with a kid."

Orton easing into 3rd District Congressional seat

By JUDY FAHYS
Herald Washington Bureau

WASHINGTON — Bill Orton carried a portable telephone under his arm yesterday as he made rounds to key offices on Capitol Hill.

He wanted to talk to the folks in power to ease into the 3rd District congresional seat. And in light of his stunning victory over former Republican state Sen. Karl Snow, the people who keep the machinery running here in Washington were eager to talk to him.

Visits with House Speaker Tom Foley of Washington and Majority Leader Richard Gephardt of Missouri topped Orton's list. Foley met with the new Utah lawmaker late in the afternoon, but Orton and Gephardt could not find a time they could meet.

In addition to the Democratic leaders, Orton made a point of looking up Utah GOP Sens. Jake Garn and Orrin Hatch.

During a lunch-hour meeting in Hatch's Capitol Hill office, Utah's freshman Democratic congressman sought to assure the senator he wanted a congenial relationship.

The two joked about the possibility that Orton might switch to the Republican party, a rumor that has swept the political circuit since the Democrat captured the seat 62 percent to 38 percent. Yet, Orton stressed that his current party stripe will give him more clout for the district as a member of the ruling party in the House of Representatives.

As a Democrat in what many counted as an ever-Republican seat, Orton has a leg up on other newcomers when the leadership makes committee assignments in the coming weeks. The thinking is that leaders will want to give him every edge possible to overcome the district's GOP tendencies over the long run.

"When the caucus meets, the speaker hopes to be as helpful as he can with committee assignments," said Robin Haynes, an aide to Foley.

Orton said Tuesday his first choice is the tax-writing Ways and Means Committee.

The committee has one opening for a Democrat, which already has been promised to "several others," Orton acknowledged.

Other assignments could be the Energy and Commerce Committees, where retiring Rep. Howard Nielson had a spot on the GOP side, and Appropriations, another unlikely panel for a freshman.

N0000101

9704383078

Noriega Broke, May Need Aid, Reports Judge

MIAMI (AP) — A judge Tuesday said he will declare Manuel Noriega indigent and appoint government-paid attorneys to defend him if the deposed Panamanian leader's money is not unfrozen by Friday.

U.S. District Judge William Hoeveler, also citing the ongoing dispute with Cable News Network over Noriega's tape-recorded conversations, complained that side issues were threatening to engulf the drug case.

"It has never been made more clear than in the last few days that as long as this case lingers, we face the prospect of new issues causing more delays," Hoeveler said.

If foreign governments fail to release bank accounts frozen in those countries, or if some agreement is not reached on $5.8 million in cash confiscated from Noriega's quarters during the U.S. invasion of Panama, the judge said he would appoint new counsel by Monday.

The fee issue has simmered since the spring when lead defense attorney Frank Rubino threatened to withdraw his lawyers because the government had frozen 27 Noriega accounts worth about $20 million. The freeze left no money for legal fees or expenses.

In June, Hoeveler ordered prosecutors to unfreeze about $6 million. But on Tuesday, Justice Department attorney Drew Arena said the governments of France, Austria and Switzerland had stepped in with their own confiscation efforts based on initial U.S. claims that the money was drug-related.

"It's rather, your honor, like trying to 'unring' a bell," Arena said.

Rubino accused the State Department of sabotaging release of the funds "with a wink" to foreign governments, secretly encouraging them to tie up the accounts.

If Hoeveler appoints government-paid attorneys under the Criminal Justice Act, it will be the second time the court has tried to invoke that law in the case against the former Panamanian dictator.

Hoeveler previously proposed hiring Rubino under the law, but abandoned the effort because it did not allow for fees reaching $350 an hour, which defense attorneys testified were normal for a difficult case. The law's maximum is two attorneys working for only $60 an hour each, which can be extended to $75 in special cases.

The law also limits investigative expenses to only a few thousand dollars, and Rubino called those figures



A party vote by acclamation returns George Mitchell, center, and Alan Dixon, right, to Senate Democratic leadership as Wendell Ford gains new seat among triad.

Mitchell, Dole Cling To Senate Reins

By Steven Komarow
Associated Press Writer

WASHINGTON — Senate Democrats and Republicans re-elected Sens. George Mitchell, D-Maine, and Robert Dole, R-Kan., as party leaders Tuesday, but GOP conservatives ousted the lone liberal in their hierarchy. Sen. John Chafee, R-R.I., by one vote.

Democrats elected Mitchell and the other members of the leadership by acclamation for the 102nd Congress that convenes Jan. 3. None of the candidates was opposed.

The Republicans elected Dole and his top deputy, Sen. Alan Simpson, R-Wyo., who both ran without opposition.

But conservative Sen. Thad Cochran, R-Miss., defeated the incumbent, Chafee, 22-21, for the chairmanship of the GOP Conference. Chafee was the only liberal among the Senate GOP leaders.

Mitchell, who first won the majority leader's job two years ago in a spirited three-way race, won his second term by acclamation. Health care and campaign finance reform are tops on his list of legislative objectives for the new Congress, he said.

Sen. Wendell Ford, D-Ky., succeeds Sen. Alan Cranston, D-Calif., who had served since 1977 as the assistant majority leader, or whip. Cranston announced last week he was stepping down from the post, and would leave the Senate at the end of the next Congress, because of cancer.

Ford is a new face in the Democratic leadership but a familiar one in the corridors of Congress. He has served in the Senate since 1975 and is chairman of the Senate Rules Committee.

Two years ago, Ford tried but failed to unseat Cranston. Had Cranston not resigned for health reasons, senators said Ford would have succeeded this time, largely because Cranston is one of five senators under investigation by the Senate Ethics Committee in connection with the savings and loan scandal.

Ford, more conservative than Cranston, is a quiet, insider politician who protects home-state interests including the tobacco and liquor industries. He made clear he had no intention of upstaging Mitchell.

"It is my view . . . that the majority leader is the spokesman for the party," he said. "I will be a member of the team."

The only other change in the Democratic leadership was the selection of Sen. Charles Robb, D-Va., as chairman of the Democratic Senatorial Campaign Committee. Robb takes over from Sen. John Breaux, D-La., in the post which regularly rotates among the senators.

Demo Orton Decides Against Switching Parties

By Thomas H. Gorey
Tribune Washington Bureau

WASHINGTON — Democratic Rep.-elect Bill Orton, who upset Republican Karl Snow in the 3rd District congressional election, said Tuesday that he won't be switching political parties, contrary to a suggestion last week that he might.



Bill Orton

The day after his election, Mr. Orton, a 42-year-old Provo tax attorney, told *The Salt Lake Tribune* that he "probably wouldn't think twice" about becoming a Republican if he found he was ineffective as a conservative in the liberal-oriented Democratic Party. That type of partisan metamorphosis would likely be well received in the heavily Republican 3rd District, which has been represented since its inception in 1982 by retiring GOP Rep. Howard C. Nielson.

But Mr. Orton, emerging from a courtesy visit Tuesday with Republican Sen. Orrin Hatch, told reporters that he has no intention of changing parties. Mr. Orton said he could be far more effective as a Democrat, since the Democratic Party — which dominates the House by an overwhelming majority — also controls the various House committees.

In the 102nd Congress, Democrats will hold a 268-167 advantage in Congress, including an independent Socialist who will caucus with the Democrats.

"All of these things can make me more effective," said Mr. Orton, referring to the power of House Democrats. As for his comments last week that indicated a willingness to change parties if necessary, Mr. Orton insisted he had only answered a "hypothetical question" and "I have learned that you don't answer hypothetical questions."

Mr. Orton will be the second Democrat to join Utah's five-member delegation when the 102nd Congress convenes in January. His Democratic colleague, Rep. Wayne Owens of Salt Lake City, handily defeated GOP candidate Genevieve Atwood last week to win his third consecutive House term.

Mr. Orton, in town Tuesday for a tax conference in connection with his law practice, said he discussed practical and political matters in his courtesy visit with Sen. Hatch — such as "what it's like to live in Washington, D.C." and a $679.9 million bill that would authorize completion of the Central Utah Project, which failed in the 101st Congress that adjourned last month.

As a tax attorney, Mr. Orton said his first choice for a House committee assignment is the highly coveted Ways and Means Committee, but he acknowledged that getting a seat on the panel is a long shot at best.

The congressman-elect said he is being realistic about what committee assignments he will get, given his freshman status.

Dennis the Menace by Hank Ketcham



Galileo Starts 'Burn' For Jupiter Junket

PASADENA, Calif. (AP) — The Galileo spacecraft fired its thrusters Tuesday so it can fly closer to Earth next month when it uses the planet as a gravity slingshot to hurl it toward a 1995 rendezvous with Jupiter.

"The burn is in progress," deputy navigation team chief Lou D'Amario said after the start of a three-hour set of 510 thruster pulses.

Galileo, operated by NASA's Jet Propulsion Laboratory, began its 2.4 billion-mile, $1.35 billion mission on Oct.

900 Texas Students Eulogize Brave Transplant Recipient

WHITE SETTLEMENT, Texas — Paulette Lane, the school's vice

N000102

S.L. lawyer admits leaking scoop on Snow to Harmer's campaign

■ 3rd District race: Data on Snow's involvement with Strand were 1st sent to Orton, who refused to use documents.

By Brooke Adams
Deseret News staff writer

There is one less mystery in the muddy 3rd District congressional race.

Daniel Darger, a Salt Lake attorney, told the Deseret News Tuesday he leaked documents about Karl Snow's involvement with Michael Strand to Republican John Harmer, Snow's primary election opponent, last spring.

"I've been watching these articles and kind of chuckling all summer," Darger said.

Daniel Darger is the brother of John Darger, owner of Unique Battery System. Daniel Darger said his brother doesn't know he was the source of the documents. Daniel Darger also shares office space with Bill Orton, the 3rd District Democratic candidate, and with attorney Ralph C. Petty, whom Darger called "a good family friend" of Snow's.

Petty represented Snow as a plaintiff in the bankruptcy of Mountainland Distributors. He also represented clients who sued Strand over a business matter.

This spring Daniel Darger learned that Orton planned to run for Congress. He also learned from Petty about Snow's candidacy.

Darger said he wanted to let out what he knew about Snow, but he "didn't want to let it out to Ralph (Petty, Snow's friend)."

Darger said he offered the material last spring to Orton, but Orton refused to use it. So Darger sent it to Harmer's campaign.

Orton has maintained throughout the campaign that unnamed individuals wanted him to make hay of the Strand/Snow connection but that he refused. Orton told the Deseret News Tuesday it was Daniel Darger who offered the material to him.

"I've refused every opportunity to get involved with that," Orton said.

Mickey W. Cochran, former campaign manager for Harmer, said he did receive two anonymous packets of documents about Snow and Strand; he thought the material came from John Darger.

Cochran said the Harmer campaign gave the packet to Snow and then when Snow did not release it in full to the public, Harmer's campaign anonymously released the documents to the press.

Darger was not amused by State Republican Chairman Richard Snelgrove's statement Monday that Darger told an independent attorneys' committee that 'Karl Snow did nothing wrong.' That's blatantly false, Darger said.

"None of those guys (the attorneys) ever talked to me," Darger said.

If they had, he would have had quite a different story to tell, he said.

Darger said he advised his brother, John, not to get involved with Strand — that Strand was "a major bad character" and that anyone involved with Strand would "get taken."

"My brother's response was 'No, you've got it wrong. Guess who I met at Mike Strand's office — Karl Snow. He is going to be a partner, a vice president, and help it get going.'" Darger said. "My brother was impressed. He thought he'd hit the big time now."

Of course, later the deal fell apart, Darger said. When it did, Darger got documents chronicling the failed merger.

Nielson calls 3rd District race dirtiest in memory

By Brooke Adams
Deseret News staff writer
and Associated Press

Third District Congressman Howard Nielson says the two candidates seeking his seat are waging the "dirtiest campaigns in memory."

Nielson reiterated his endorsement of Snow. But he also said Snow showed "poor judgment" in involving himself with convicted stock swindler Michael Strand in the failed merger of Unique Battery Systems and Global Oil.

Nielson told the Deseret News he wished Snow's involvement in the two companies had been disposed of before the primary campaign. Snow, who was broke after his gubernatorial bid in 1984, "tried to get some money and invested unwisely," Nielson said.

Nielson said Snow will be "dogged by this as long as he's in public life." But Snow shouldn't be blamed for others investing in the same deal, Nielson said.

Several investors say they invested money because of Snow's purported association with the two companies. Snow maintains he did nothing wrong.

Many investors lost money in the deal and have filed lawsuits. Snow is not named in any of those court actions.

Board member-volunteer receives Walter C. Orem Award

OREM — Laird Billings has been named recipient of the Walter C. Orem Award for the fourth quarter of 1990.

The Orem City Council has established the Walter C. Orem Citizen Award to be given to the citizen who best exemplifies the civic-minded actions of Mr. Orem.

Billings has been active in community affairs and has given freely of his time and talent in service to the Red Cross, as well as service to the city through two terms as a City Council member. He is serving his second term on the City's Planning Commission.

He has also devoted much time to the Boy Scouts of America.

Billings' hobbies include audience participation in Brigham Young University basketball and football, camping and service to others through his handyman skills.

He and his wife, the former Helen Jack, have five children, 15 grandchildren and two great-grandchildren.

Pleasant Grove school to launch space center

PLEASANT GROVE — The countdown has begun for the opening of the new Christa McAuliffe Space Education Center, located at Central Elementary, 95 N. 400 East.

An open house will be held Wednesday, Nov. 7, from 2:30 to 9 p.m. to introduce the public to the new facility.

The open house culminates years of planning, fund raising, and construction of the $100,000, 18,000-square-foot facility, which will simulate space flight on a bridge that resembles that of the Starship Enterprise on the TV series "Star Trek."

"This is an educational dream come true," said Vector Williamson, a teacher in Central Elementary who has spearheaded the project.

The center includes a classroom facility and the Voyager Mission Simulator. This classroom will service the needs of students, teachers and adults throughout Utah in the following areas:

—Teacher in-service. Teachers are taught new and exciting methods of delivering space science educational activities. The center receives all of NASA, Challenger Centerand other educational teacher updates over satellite transmission.

—Field trips. Teachers from all over the state can bring up to 70 students to the center at one time.

—Unit preparation. The classroom is equipped with a large curriculum and video library. Teachers may come and prepare their own space lessons on weekends or after school.

The Voyager Mission Simulator will include the following:

—Starship module. The starship occupies the top level of the building. Up to 30 students can travel the universe learning space science in a very real way.

—Submarine module. The module occupies the same area as the starship. Here the students will be able to sail Earth's oceans and seas. They will have the opportunity to explore these waters, to study oceanography and marine biology.

—Inner body ship module. This unit allows students to navigate their ship through a human body on an adventure of biological discovery.

—Space shuttle module. The space shuttle is located on the lower deck of the Voyager Simulator. It is designed to resemble the flight deck of a space shuttle in Earth's orbit and will allow students to conduct Earth observation studies.

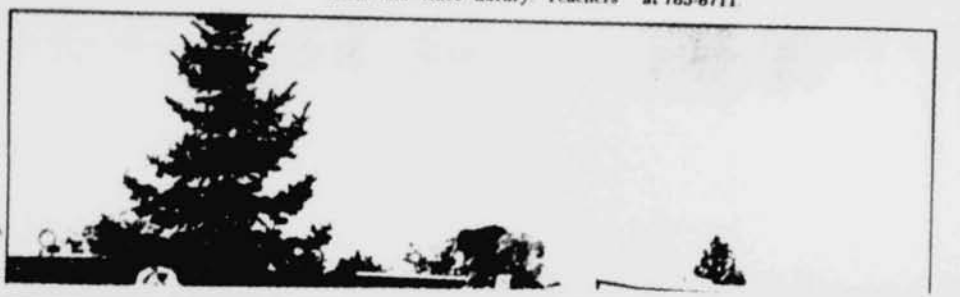
Funding for the project came through various sources, including the Christa McAuliffe National Fellowship, the Utah State Office of Education, the Alpine School District, the Alpine Foundation and US WEST.

Further information regarding the center and its services may be obtained by calling Central Elementary at 785-8711.

N000103

THE RIGHT PAINT AND WALLCOVERING CAN SET ANY ROOM FREE.

KWAL•HOWELLS IS THE KEY!



The Mountain West's first newspaper
DESERET NEWS
Founded June 15, 1850 Salt Lake City, Utah

In our opinion

Richard B. Laney, editorial page editor, 237-2186

Israel's stubborn attitude hurts U.S. in Middle East

America's friendship and support for Israel runs deep, a fact that has cost the United States heavily in its relationship with Arab states over the years. But those historic ties are being badly strained.

Israel's stubborn refusal to cooperate in a United Nations investigation into the Oct. 8 Temple Mount is causing anger in Washington.

Israel this week rejected a second unanimous Security Council resolution asking it to cooperate with a U.N. mission investigating the violence. This refusal to budge is an embarrassment to the United States, which has joined in U.N. resolutions criticizing Israel. The refusal came even after President Bush personally asked Prime Minister Yitzhak Shamir to cooperate.

While the United States historically has gone to great lengths to give billions of dollars in financial and military support to Israel and to defend it in the U.N., there must be a limit to American patience.

As long as the uproar over Israel continues, and as long as the Israeli government refuses to abide by U.N. resolutions, the world's attention is diverted from the barbaric actions of Iraq's occupation of Kuwait. And the Israeli intransigence makes it harder to hold together the Arab coalition against Iraq.

Israel claims its response to the Temple Mount riot was justified because police were attacked by thousands of stone-throwing rioters and peaceful Jewish worshippers and tourists at the sacred Wailing Wall were stoned. No one disputes that there was a riot. The question is whether "excessive force" was used to put it down.

Certainly, Israel has some right to be upset with U.N. declarations that seem more concerned with the safety of stone-throwing rioters than with those who are being stoned. But cooperation, not rejection, is the way to get around those problems.

If Israel's claims about the riot are correct, then a U.N. investigation will not hurt. In any case, the situation is not going to go away and will remain an irritant until some kind of impartial finding is made.

Israel has concerns about the status of Jerusalem, but allowing a U.N. team to investigate an incident in the city is not going to remove Israeli control over Jerusalem. In fact, U.N. observers already are in Jerusalem and have been for years. Their presence is nothing new.

For the most part, Israeli rule of the city has been enlightened and fair, more so than when Jordan held the city. Before Israel captured all of Jerusalem in the 1967 war, Jews had been kept from their sacred religious sites by Arab troops. Although Israel may some day give up the occupied West Bank and Gaza Strip, it has vowed never to surrender any part of Jerusalem.

But those are other issues. By its refusal to allow the U.N. to investigate the Temple Mount violence, Israel is hurting itself, hurting the United States, hurting its image in America and giving aid and comfort to Iraq's murderous Saddam. It still isn't too late for Israel to reconsider and reverse its stance.



Stock deal will haunt Snow for years



BOB BERNICK JR.
DESERET NEWS POLITICAL EDITOR

Karl Snow and the case of the unfortunate stock investment — it just won't go away for the 3rd Congressional District Republican.

It won't go away because Snow's political opponents won't let it.

Now an "independent" citizens group calling themselves Utahns for Ethical Government, whose leader professes no allegiance to Democratic congressional candidate Bill Orton or Snow's former GOP opponent John Harmer, are making the same old charges involving Snow and convicted stock manipulator Michael Strand.

I've looked at dozens of documents concerning the Snow/Strand/penny stock connection. I've interviewed Strand, talked to Snow half a dozen times and talked to principles in the aborted deal involving Unique Battery and Global Oil. This is what I make of it:

Strand told Snow about a new deal: a car battery that recharges quicker and lasts longer than normal batteries. The battery company was going public, Strand was handling the initial stock offering. Snow had a chance to make a killing in the penny stock market, if all went well.

Penny stock investments are very risky. The idea is to get in on the ground floor, preferably before the stock is even issued, ride the wave quickly and sell out fast — before the stock tumbles, as it usually does.

Strand told others in Unique Battery that he was bringing in Snow, a former Republican leader in the state Senate. Snow's name would help sell the stock and the batteries, Strand said. Snow would get 100,000 shares of stock free for being on the board.

Snow investigated the company, talked to the battery developer, spoke to BYU physics professors about the new technology. The new battery sounded like a winner. He was set to jump in. He signed some documents saying he had shares in Unique Battery, even though he never did hold them, and would trade those shares for 100,000 shares of Global Oil, the new company buying out Unique Battery.

Snow and Strand had a falling out. Strand was angry that Snow wouldn't put more money into the deal. Strand threatened to sell his shares in Global Oil, which would have driven the stock down. Snow bought Strand out for $50,000.

Strand then went to Snow's home in an effort to extort the money from Strand. Kalt served a short jail sentence for his acts.

Meanwhile, Snow slowly distanced himself from Global Oil. He did attend some meetings at Strand's headquarters but steadfastly says he refused the position of vice president or to sit on the board. He says he refused the 100,000 shares (although he did buy some Global stock independent of Strand and ended up losing tens of thousands of dollars on that investment). However, the 100,000 shares of Global stock was issued in Snow's name in June 1985. Apparently that stock stayed in Strand's control. Snow never held it. However, several years later Snow did sign over some of those 100,000 shares of stock to Strand "as a favor." He received no money for the stock he signed over.

Also in June 1985, Snow suggested to an advertising woman, who worked on Snow's 1984 campaign, that she contact Strand to get some money she said Snow owed her for campaign work. Strand, it appeared, was willing to pay off some of Snow's campaign debts.

What to make of all this?

N00104

Middle East

whether "excessive force" was used to put it down.

Certainly, Israel has some right to be upset with U.N. declarations that seem more concerned with the safety of stone-throwing rioters than with those who are being stoned. But cooperation, not rejection, is the way to get around those problems.

If Israel's claims about the riot are correct, then a U.N. investigation will not hurt. In any case, the situation is not going to go away and will remain an irritant until some kind of impartial finding is made.

Israel has concerns about the status of Jerusalem, but allowing a U.N. team to investigate an incident in the city is not going to remove Israeli control over Jerusalem. In fact, U.N. observers already are in Jerusalem and have been for years. Their presence is nothing new.

For the most part, Israeli rule of the city has been enlightened and fair, more so than when Jordan held the city. Before Israel captured all of Jerusalem in the 1967 war, Jews had been kept from their sacred religious sites by Arab troops. Although Israel may some day give up the occupied West Bank and Gaza Strip, it has vowed never to surrender any part of Jerusalem.

But those are other issues. By its refusal to allow the U.N. to investigate the Temple Mount violence, Israel is hurting itself, hurting the United States, hurting its image in America and giving aid and comfort to Iraq's murderous Saddam. It still isn't too late for Israel to reconsider and reverse its stance.

nspection law

Among other things, the Senate-passed bill would also:

— Set standards for processing fish.

— Provide regular inspections to assure that fish and food made from it are processed under sanitary conditions.

— Determine sources of potential contamination.

— Require contamination prevention and cleanup procedures for fishing areas.

— Authorize the Secretary of Commerce to close waters considered too contaminated for safe fishing.

— Require imported seafood, which comprises 60 per cent of all seafood consumed in the United States, to comply with all standards for fish caught domestically.

The potential dangers of contaminated seafood are not unknown to consumers. Indeed, the Providence, R.I. Journal reports that such fears have hurt fish sales in the past few years even though seafood is becoming increasingly important to health-conscious Americans trying to cut down on fat in their diets.

The message should be clear: Enacting a fish inspection law, which should have been adopted long ago, would protect not only consumers but also the seafood industry. This step should be taken by Congress as soon as it gets back to work early next year.



Stock deal will haunt Snow for years



BOB BERNICK JR.
DESERET NEWS POLITICAL EDITOR

Karl Snow and the case of the unfortunate stock investment — it just won't go away for the 3rd Congressional District Republican.

It won't go away because Snow's political opponents won't let it.

Now an "independent" citizens group calling themselves Utahns for Ethical Government, whose leader professes no allegiance to Democratic congressional candidate Bill Orton or Snow's former GOP opponent John Harmer, are making the same old charges involving Snow and convicted stock manipulator Michael Strand.

I've looked at dozens of documents concerning the Snow/Strand/penny stock connection. I've interviewed Strand, talked to Snow half a dozen times and talked to principles in the aborted deal involving Unique Battery and Global Oil. This is what I make of it:

Snow was almost greedy. He was a hair's width away from making a big mistake. He ultimately didn't get involved in the stock deal not because he thought it immoral or sleazy but because he believed some principals were polygamists — not the best of reasons.

He did nothing illegal, however. No criminal complaints have ever been filed against him, he's not named in any lawsuits.

Basically, here's what happened: After losing in the 1984 GOP gubernatorial race, Snow, a Brigham Young University teacher, became interested in penny stocks promoted by Strand — a man who Snow befriended personally and who helped Snow financially in his statewide race.

Strand told Snow about a new deal: a car battery that recharges quicker and lasts longer than normal batteries. The battery company was going public, Strand was handling the initial stock offering. Snow had a chance to make a killing in the penny stock market, if all went well.

Penny stock investments are very risky. The idea is to get in on the ground floor, preferably before the stock is even issued, ride the wave quickly and sell out fast — before the stock tumbles, as it usually does.

Strand told others in Unique Battery that he was bringing in Snow, a former Republican leader in the state Senate. Snow's name would help sell the stock and the batteries, Strand said. Snow would get 100,000 shares of stock free for being on the board.

Snow investigated the company, talked to the battery developer, spoke to BYU physics professors about the new technology. The new battery sounded like a winner. He was set to jump in. He signed some documents saying he had shares in Unique Battery, even though he never did hold them, and would trade those shares for 100,000 shares of Global Oil, the new company buying out Unique Battery.

But then Snow came to believe that some of the Unique Battery executives, who'd run the new Global Oil, were polygamists. He backed away. No BYU professor was going to sit on the board of a company run by polygamists, no matter how much money he could make. Another BYU professor, Percy Kalt, after talking with Snow — their recollections of that conversation differ dramatically — decided to buy into Global Oil. Kalt paid $5 a share. At that rate, Snow's 100,000 shares, which he did nothing to earn, would have been worth half a million dollars.

Kalt ended up losing his $30,000 investment in Global Oil. Kalt wanted his money back from Strand. He fire-bombed Strand's home in an effort to extort the money from Strand. Kalt served a short jail sentence for his acts.

Meanwhile, Snow slowly distanced himself from Global Oil. He did attend some meetings at Strand's headquarters but steadfastly says he refused the position of vice president or to sit on the board. He says he refused the 100,000 shares (although he did buy some Global stock independent of Strand and ended up losing tens of thousands of dollars on that investment). However, the 100,000 shares of Global stock was issued in Snow's name in June 1985. Apparently that stock stayed in Strand's control. Snow never held it. However, several years later Snow did sign over some of those 100,000 shares of stock to Strand "as a favor." He received no money for the stock he signed over.

Also in June 1985, Snow suggested to an advertising woman, who worked on Snow's 1984 campaign, that she contact Strand to get some money she said Snow owed her for campaign work. Strand, it appeared, was willing to pay off some of Snow's campaign debts.

What to make of all this?

Is Snow a crook who should be rejected outright from congressional service? No. Remember, he lost money on his stock dealings with Strand and has never been named in any court document.

Did he dance on the edge of becoming a wealthy man through a questionable penny stock promotion? Yes. Did he let his good name be used to sell penny stocks — encourage others to buy the stocks? Snow says no. Kalt and others say yes.

In my opinion, the Strand episode won't cost Snow the election in the heavily Republican 3rd District. But it will haunt him for years to come. His political opponents — Republicans and Democrats alike — will see to that.

Civil rights veto won't appease GOP

By Alan L. Keyes
Scripps Howard News Service

Some political pundits see President Bush's veto of the civil rights bill as an effort to appease Republican conservatives, who feel betrayed by Bush's abandonment of conservative economic principles on tax and budgetary issues.

If this is true, I rather doubt that the move will accomplish its intended purpose.

Opposition to tax increases and support for pro-growth tax cuts are the centerpieces of a positive Republican strategy for consolidating a broad-based majority among aspiring working and middle class Americans.

I think Bush is right to oppose the current version of the civil rights bill if it impels employers to implement hiring quotas as a defense against discrimination suits. But such opposition cannot compensate for around the country can run and win saying "I support higher taxes and oppose hiring quotas." The stand on taxes will disappoint more voters than the stand on quotas reassures.

The civil rights veto has aroused the wrath of the left-wing black civil rights establishment. Despite Bush's efforts to court and placate its leadership, they have unleashed a torrent of harsh rhetoric against him. They say that he is encouraging racism, playing up white racial fears and animosities, perpetuating Reagan era attempts to turn back the clock on civil rights. Apparently the president hasn't given much consideration for his willingness to slight and demean black conservatives in order to win good reviews from the leftist black establishment.

The Bush administration is not renowned for its firm stands on principle. Making a deal at almost any price has been the order

cial quotas. This may explain the unreasonable harshness of their reaction against the veto.

But uncertainty about the persistence of this presidential firmness may keep some people who agree with the veto from springing to Bush's defense. What if the president's action resulted from the fear that failure to veto would destroy his last shreds of credibility with conservative Republicans?

If his motive is expediency rather than sincere conviction, will he be tempted to abandon his stand once it becomes clear that it won't placate Republican discontent with the administration? Such questions breed the kind of doubts that make those who support the action hesitate to support the man. When the going gets tough, a president who has displayed no loyalty to principle may find loyal defenders hard to come by.

SOLOMON

Inside Today:

NCAA's plan is to return collegiate sports back to traditional values
Page B6

Nation
Neo-Nazis lose civil lawsuit
Page A3

Local
Watson loses license for year
Page B1

Food
'Under the sea' is featured
Page C1

The Daily Herald

Tuesday, October 23, 1990 — Central Utah's Newspaper for 116 Years — Issue No. 64, Provo, Utah — 50 Cents



Herald Photo/Tamara Sneddon

Fall fishing

Freed Americans leave for Jordan

Arabs may be softening against Iraq

By The Associated

Fourteen Americans in Iraqi capital for Jordan tod being freed by Saddam H government. They departed as Britain worked to gain the release of 50 sick or elderly Britons.

"I was waiting for this moment. I am extremely happy, but sad at the same time because I am leaving many of my friends and colleagues," Jack Fraser, one of the freed Americans, told an Associated Press reporter in Baghdad.

Fraser, 51, of Santa Ana, Calif., worked for a construction company and had been held in a diplomatic compound in Baghdad.

About 1,000 Americans remain trapped in Iraq and Kuwait.

On Monday, Salim Manasir, an Iraqi American who met with Saddam, said 14 ailing or elderly Americans would be freed.

Several of the Americans who left Iraq today appeared to be very young and two were reported dependents of U.S. diplomats. It was not known why Iraq decided to free the younger Americans instead of sick and elderly people.

There were indications, meanwhile, that the Arab world was softening its hard line in dealing with Iraq, including a statement by Saudi King Fahd that Saddam would not lose face if he were to withdraw his troops.

If Iraq took that step and restored the al-Sabah family as Kuwait's rulers, Saudi Arabia and Egypt said there could be talks on the disputes that led to the invasion of the oil-rich emirate.

After overrunning Kuwait on Aug. 2, Saddam detained some foreign nationals as "human shields" at strategic sites in Iraq. He refused to allow many other foreigners to leave Iraq and occupied Kuwait. None of the Americans freed today were part of the "human shield."

In other developments, former British Prime Minister Edward Heath met with Iraqi Foreign Minister Tariq Aziz today to arrange freedom for 50 or more Britons. There are an estimated 1,400 Brit

(See GULF, Page A2)

Democrats split over

N0001O6

Provo has joined with other members of the Colorado River Energy Distributors Association in condemning the recent 46 percent power rate hike by the Western Area Power Administration.

WAPA implemented a 46 percent increase in its rates Oct. 1, Provo Energy Department Director Ron Rydman told members of the Provo Energy Board Monday.

The Provo Energy Department was warned earlier this year that WAPA was planning a rate increase totaling near 43 percent. Provo receives between 55-60 per-

As a voting member of CREDA, Provo city agreed with other CREDA power entities that the rate increase was excessive and could violate federal law.

Duncan and Allen, a law firm in Washington, D.C. representing CREDA, filed an opposition on Oct. 9 with the Federal Regulatory Energy Commission against the WAPA increase.

According to a fact sheet prepared by CREDA, "In claiming that portions of the rate increase violate federal law and are arbitrary and capricious, CREDA consideration.

"Alternatively, CREDA asked the FERC to to set the matter for investigation and hearing," the sheet states.

"We all felt this size of an increase was just too much," Rydman said. "We felt that some of the charges were just inappropriate and in excess of what we ought to be paying."

According to the CREDA fact sheet, CREDA objected to approximately two-thirds of the WAPA increase.

The Provo Energy Department

said, making the department able to absorb the increase without raising customer rates.

However, Rydman said it was too early to tell if the department would be able to continue to absorb the increase into next year's budget, which will begin July 1, 1991.

"We'll know for sure by February what's going to happen," he said.

Mayor Joseph A. Jenkins said the recent upgrade of Provo's Cove Fort Power Plant at Cove Fort will

(See POWER, Page A2)

"We asked for a show of hands on support for the package and it was right down the middle — 50-50," Rep. Dan Rostenkowski, D-Ill., chairman of the Ways and Means Committee, told reporters after a caucus of House Democrats.



Dan Rostenkowski

"That's not good, not good at all," Rostenkowski said.

Congressional leaders must win

Rostenkowski said the biggest problem among Democrats was a plan pushed by the Bush administration and Senate Republicans, which would limit the itemized deductions of people with incomes over $100,000. House Democrats prefer to hit the rich by imposing a surtax on those with incomes over $1 million, or perhaps even lower.

Republicans reject that approach. The battle over the two options is the major obstacle preventing negotiators from agreeing

(See BUDGET, Page A2)

Senators launch effort to save civil rights bill

WASHINGTON (AP) — Senate sponsors are launching a long-shot effort to override President Bush's veto of a major civil rights bill, which he says would encourage hiring quotas.

But the bill's House sponsor, Rep. Augustus F. Hawkins, D-Calif., acknowledged Monday that a new push for civil rights legislation likely will have to wait until next year.

"When the chips are down, the White House is against civil rights," Sen. Edward M. Kennedy, D-Mass., said following the veto. He called the action "tragic and disgraceful."

"I deeply regret having to take this action," Bush said in his veto message. However, he said the measure would leave employers so vulnerable to discrimination suits they would hire by quota in self-defense.

"We think we'll win an override vote," White House spokesman Marlin Fitzwater said today. He said he hoped Congress would consider Bush's alternate civil rights proposal. "If not, we'll do it next session," he

(See RIGHTS, Page A2)

Orton, Snow answer questions at BYU

By PATRICK CHRISTIAN
Herald Staff Writer

The last time 3rd Congressional District Democratic candidate Bill Orton was in the moot courtroom at Brigham Young University, he was a law school student and debating hypothetical legal cases.

Monday, he faced his Republican foe, Karl Snow, in the moot courtroom.

But before the political event that was sponsored by the university's Student Bar Association began, Orton complained to organizers that the format was not a debate — but just a question-and-answer session.

"This happens all the time," Snow said to one of the organizers.

He was speaking of Orton's re-



Karl Snow



Bill Orton

peated complaints that Snow won't debate him and he joked: "What I need is a good lawyer."

Orton was right. It wasn't a debate.

What happened in the moot courtroom — where students debate everyday — was the candidates answering questions from a panel.

Orton said Snow tells people he has debated the Democrat as many times as Lincoln debated Douglas.

But Orton said the only real debate — with adequate time to challenge his opponent's statements — was conducted before the GOP primary.

About 40 people attended the political event at BYU.

Orton said he was not a politician and was young enough and naive enough to believe one person can make a difference.

Snow spoke of his exerience and 12 years in the Utah Senate and said his experience is in the mainstream of Utah politics.

Snow said the political system is broken and needs to be fixed.

He said Congress, controlled by Democrats, just wants to spend without awareness of revenues.

Orton spoke of the importance of a two-party system so both sides of issues can be properly debated.

But Orton said Congress spends too much time blaming the other party for the woes of the nation.

Orton said the solution for problems of the homeless "is better education."

But he said there is also a need for federal short-term intervention.

Snow said the national government has neglected the homeless. But he said the private sector is to be commended for its steps to help

(See DEBATE, Page A2)

Ex-general accuses KGB of 'legal gangsterism'

MOSCOW (AP) — A former KGB general accused the spy agency of "legal gangsterism" today as he battled in court to regain his rank and pension, which were stripped after he publicly criticized the KGB.

Oleg Kalugin, whose 32-year career with the KGB included 12 years as an agent in the United States, is suing KGB Chairman Vladimir Kryuchkov in a landmark case for Soviet citizens aggrieved by government actions.

Kalugin's fight has made him a popular hero and helped him win a seat in the national legislature.

The three-judge panel in Moscow City Court repeatedly had to call for order as spectators applauded Kalugin's lawyer and heckled a KGB attorney.

"Oh my, we've hurt the KGBs feelings, isn't that too bad," an elderly woman called out sarcastically after the KGB lawyer, Victor I. Alexeyev, complained about the crowd.

Kalugin's suit contends that Kryuchkov issued secret orders depriving him of his rank and pension in retaliation for his comments in June. In those remarks, Kalugin said the KGB was resisting democratic reforms and continuing to spy on trade unions, clergymen and other possible opponents of the Communist Party.

After listening to his arguments today, the judges adjourned the case until Nov. 11. They said they were waiting for answers to questions sent last month to the Council of Ministers, or national Cabinet, and military prosecutor's office.

The court had asked the Council of Ministers to provide documents about how, when and why the decision was made to strip Kalugin of his rank, which led to loss of his pension.

The military prosecutor was asked to describe the status of a possible criminal lawsuit against Kalugin. Soviet newspapers have said the prosecutor was investigating Kalugin on a potential charge of revealing state secrets.

The 55-year-old Kalugin has said he once headed the KGB's section on foreign counterintelligence. He has denied revealing any national secrets.

"I think Kryuchkov's actions represent not only arbitrary rule against me, personally, but also a form of legal gangsterism, and I can't call it anything else," Kalugin told the court.

The KGB attorney and the head of the agency's financial planning office said at the hearing the decision to deprive Kalugin of his rank was made by the Council of Ministers, and the loss of his pension followed automatically.

Kalugin's attorney, Boris A. Kuznetsov, argued that the 13-member Council of Ministers never met to consider Kalugin's case. He said the order was signed by Prime Minister Nikolai I. Ryzhkov, at the behest of Kryuchkov.

Index

Find it

Arts/Entertainment	C6
Classified Ads	D3-D8
Comics	D2
Crossword	D5
Horoscope	C4
Legal Notices	D3
Movies	C6
National	A3
Obituaries	B2
Opinion	B4
Sports	B6-B8
State	B3
Stocks	D1
World	A4

Weather

Fair tonight with lows in the 30s. Wednesday will be sunny and warmer, with the highs reaching the upper 60s.

See Page A6.

Air Quality

Air quality was good up and down the Wasatch Front with a slight increase in pollution levels expected.

See Page A2.

To enjoy the convenience of Daily Herald home delivery, call 375-5103

N0001O7

RIGHTS:

(Continued from Page A1)

said.

The Senate planned an override vote today, but sponsors appeared at least two votes short of the 67 needed for a two-thirds margin.

Hawkins said he would not seek a House override vote unless he was certain it would succeed. "I'm just not going to waste any more time," he said, noting, "I've been assured the bill will be introduced as soon as Congress meets next year."

The bill was passed by the Senate, 62-34, and by the House, 273-154 — strong majorities, but not reaching the two-thirds required to override a veto.

The measure, the civil rights community's top priority in Congress, would overturn six job bias decisions handed down by the Supreme Court last year.

Provisions range from a ban on racial harassment in the workplace to punitive damages in the most extreme cases of discrimination.

The sharpest clashes, however, have come over provisions that would make it easier to win discrimination cases against employers.

Bush said the [illegible]aptation to support a bill — a[illegible]ll — simply because its title includes the words 'civil rights' is very strong.

"But when our efforts, however well-intentioned, result in quotas, equal opportunity is not advanced but thwarted," he said in his veto message. "The very commitment to justice and equality that is offered as the reason why this bill should be signed requires me to veto it."

The president said the "bill actually employs a maze of highly legalistic language to introduce the destructive force of quotas into our nation's employment system." Under the measure, he said, "employers will be driven to adopt quotas in order to avoid liability."

Civil rights supporters scoffed at that argument. "It's pure poppycock," said Ralph G. Neas, executive director of the Leadership Conference on Civil Rights. "The bill has nothing to do with quotas."

"The president's veto ... and his repeated efforts to pin the false label of quotas on this legislation are part of a disreputable tactic to appeal to public resentment and prejudice," Neas said.

Bush called on lawmakers to enact his version of the measure before they quit for the year, probably later this week. However, that appeared unlikely, as Bush's critics said his proposal would weaken current law.

Civil rights advocates denounced the president's proposal as a sham for permitting challenged hiring practices to stand if they could be justified on such grounds as "customer relations." Such justifications, they said, were used to support the separate-but-equal "Jim Crow" laws of the first half of the 20th century that kept blacks in segregation.

The White House plan would cap at $150,000 the total damages an employee could win in a job discrimination suit.

Air Pollution

The following information is taken from the Wasatch Front air pollution report compiled by the Utah Bureau of Air Quality. The complete report is available by telephone at 373-9560.

Conditions as of 8 a.m. were as follow:

Residential Areas

UTAH COUNTY	good
Salt Lake	good
Weber	good

Downtown Areas

PROVO	good
Salt Lake	good
Ogden	good

Overall Air Clarity

The air quality for today was good in all areas along the Wasatch Front.

Outlook

Forecast called for a slight increase in pollution levels with a clearing index of 350.

24-Hour (Index) Highs

North Provo	oz	na
North Provo	co	33
Lindon	pa	na
Provo	co	67

The (Index) Scale

0-50 good air; 51-100 moderate; 101-199 unhealthful; 200-299 very unhealthful; 300 and above hazardous.

Abbreviations

co = carbon monoxide
oz = ozone
so = sulfur dioxide
pa = particulates

Note

The Utah County residential area reading is taken from the Lindon monitoring station.

The State of Utah has identified the following as primary sources of pollutants in Utah County: co = vehicles; oz = vehicles and gas vapors; and pa = heavy industry.

POWER:

(Continued from Page A1)

help keep Provo power rates down. Since power is generated through the use of steam already existing underground, the power is relatively inexpensive.

"We're still going to be able to make money. We'll not make as much but we'll not eat up our reserves either," Jenkins said.

Environmental concerns regarding the Glen Canyon Dam, a provider of WAPA power, were partly to blame for the WAPA increase, a representative of WAPA told the Daily Herald in April.

Other costs tied to the Central Utah Project and the Colorado River Storage Project have also affected WAPA costs.

Rydman said Provo will continue to monitor the process of the filed opposition and "see what happens."

"We probably won't hear anything until spring," he said.

would raise the gasoline tax, tax the wealthy and cut programs as diverse as Medicare and farm subsidies.

Asked if agreement were near, House Democratic Whip Bill Gray said, "Who knows, lightning might strike at any moment."

Bush's top aides were involved in the talks while the president campaigned in New England — both for GOP congressional candidates and for the deficit-cutting deal.

Bush called on House Republicans, many of whom opposed his budget stand, to put "self-interest" aside and stand with him in support of a plan. "We're hanging tough for a good agreement," Bush said at a Burlington, Vt., fundraiser for Republican Rep. Peter Smith.

At the Capitol, House Democratic leaders met with their rank and file to discuss the proposals to raise taxes on the richest Americans. "We want to talk to them about how to bring the wealthy in, what the administration says it wants to do," Gray said.

A dispute over how to raise taxes on Americans with incomes over $100,000 a year is blocking agreement on the $250 billion deficit-reduction plan.

After a full day of on-and-off talks, House Speaker Thomas S. Foley, D-Wash., said Monday night that bargainers were on the brink of agreement.

"Not yet," Senate Majority Leader George Mitchell, D-Maine, replied when asked whether a tentative agreement had been reached.

Time is short. The government will run out of money at midnight Wednesday and there are doubts

DEBATE:

(Continued from Page A1)

the homeless.

"Maybe we need to look at local solutions," Snow said.

At an earlier joint appearance Monday at the Orem Kiwanis Club, Snow said there had been "too much by way of tax increases and too little by way of budget reductions. We've got to reduce expenditures."

Orton said, "I'm sick and tired of seeing Congress doing business as usual.

"I know how government operates and I understand the politics of the past as usual."

The people are sick and tired of political cowardice, Orton said.

"It's not just a problem of stopping spending more than's coming in," Orton said. "If we don't make the mortgage payments we are going to lose the home."

After the moot court event, Snow visited the Provo City Council Chambers for a Utah GOP event that featured Gov. Norm Bangerter. It was attended by most Republicans seeking various political offices.

Snow and the governor were then scheduled to visit the Cove Retirement Center in Provo and the Seville Retirement Center in Orem in an effort to gain the senior citizen vot-

limit their itemized deductions.

Whatever option is chosen would be [illegible] to a plan that tentatively would raise the top tax rate on the nation's wealthiest from the current 28 percent to 31 percent. That would represent a major concession for Bush.

Part of the money drawn from the wealthy would be used to scale down the 9½-cent-a-gallon gasoline tax increase passed by the Senate and to moderate proposed increases in Medicare patient costs.

The deficit bill would raise taxes on tobacco, alcoholic beverages and airplane tickets and levy a new luxury tax on part of the price of expensive cars, boats, planes, furs and jewels. The measure would considerably reduce Medicare reimbursement of physicians and hospitals.

People whose wages exceed $51,300 a year would pay a higher tax for Medicare. Farm subsidies would be reduced; some fees for federal services would go up. The tax and Medicare package would, when added to spending restraints on most government programs and reduced interest payments, reduce the budget deficit by about $500 billion over the next five years.

Both the Senate bill and the House version would require upper-income people to pay a heavy share of the tax increase.

The administration is adamantly opposed to the surtax, saying it would amount to another tax-rate increase on those with higher incomes. Bush's negotiators and Senate Republicans say a limitation on deductions would be more fairer.

House Democratic leader Richard Gephardt of Missouri said [illegible]

The Daily Herald

(U.S.P.S. [illegible])
Second class Postage Paid at Provo, Utah
U.S.P.S. ID #143-060

Published Daily by
SCRIPPS LEAGUE NEWSPAPERS, INC.
1555 North Freedom Blvd.
P.O. Box 717
Provo, Utah 84603-0717

KIRK PARKINSON, Publisher
N. LaVERL CHRISTENSEN, Editor/Editor Emeritus
1949 - 1986

POSTMASTER:
Send change of address to
The Daily Herald
P.O. Box 717
Provo, UT 84603-0717

MEMBER
Audit Bureau of Circulation
NEA Service

HOME DELIVERY RATES
(by youth carriers)*

1 Month, carrier	$ 8.25
6 Months, carrier	$49.50
One Year carrier	$99.00

MOTOR ROUTE AND RURAL DELIVERY RATES*

1 Month, carrier	$ 8.50
6 Months, carrier	$51.00
One Year carrier	$102.00

*Rates may differ outside of Utah County

MAIL RATES IN UNITED STATES

1 Month	$ 12.00
6 Months	$72.00
One Year	$144.00

HERALD TELEPHONE NUMBERS

ADVERTISING DEPT.	373-5050
EDITORIAL DEPT.	373-5050
BUSINESS OFFICE	373-5050
CLASSIFIED	373-6450
DELIVERY SERVICE	375-5103

Copyright
Scripps League Newspapers, Inc. 1990

year to pay an additional levy as much as 10 percent. A per who pays $300,000 in tax, for exa ple, would have to pay an ex $30,000

The Republican substitute wo limit itemized deductions availa to the 2.2 million couples and i viduals with adjusted gross comes over $100,000. One ver would permit a person to write only 90 percent of otherwise al able deductions against that tion of income over $100,000.

Thus, a person would give $500 of deductions for each $1 that his or her income exc $100,000.

FRED & NON
chos



"We are very pleas furnace system and t were also impressed Gunther's staff were to anyone."

51 gra

GU
COM

American

LENNO

AIR CONDITIONING & HEATI

N000108

Inside Today:
Northwest Airlines flight crew gets jail for flying drunk
Page A3

Local
Police need help to catch robbers
Page A4

Stocks
Market drops as worries mount
Page A6

Sports
3 valley teams win in playoffs
Page B1

The Daily Herald

Saturday, October 27, 1990 — Central Utah's Newspaper for 116 Years — Issue No. 88, Provo, Utah — 50 Cents

Final budget details finished as leaders seek votes

WASHINGTON (AP) — House leaders scoured the Capitol for votes Friday for a compromise budget that would reach into the pockets of the rich, raise Medicare recipients' bills and add an extra nickel to everyone's gasoline tax.

Top Democrats and Republicans said they believed the House would endorse the giant deficit-cutting package. For the rank and file, the vote — the climax of the 101st Congress' raucous year — was a chance to make a statement and return home in time for Election Day.

"Democrats have a message of fairness to carry home, and I want to get out of here so I can do it," said Rep. Tom McMillen, D-Md.

"I'm voting against this because it's not necessary to raise taxes on anybody, let alone everybody," said Rep. Richard Armey, R-Texas.

Just a week after the House and Senate approved separate budgets, bargainers molded the final details of a compromise bearing about $140 billion in new taxes and $100 billion in spending cuts for the next five years.

The original $250 billion size of the package shrank by about $9 billion as leaders dropped unpopular items — such as forcing state and local government workers to join Medicare — as a tradeoff for votes. By late afternoon, leaders said the fine-tuning was complete.

"It's over," said House Majority Leader Richard Gephardt, D-Mo. "We're done."

Even some conservatives who would have preferred deeper spending cuts supported the plan, arguing that at least it took a whack at the government's growing red ink.

"I don't know if it was Confucius or Garfield who said, 'When you find yourself in a hole, the first rule is quit digging,'" said Rep. Charles Stenholm, D-Texas.

When enacted, the bill is to be the heart of an effort to shrink the deficit by $500 billion over the next five years. The remaining savings are to come from restraints on defense spending and from lower interest payments because of reduced borrowing.

White House officials said President Bush liked the way the package was shaping up. But he contended anew on a campaign trip in California that the Democrats were to blame for letting the federal deficit rise so high that he had to go back on his no-new-taxes pledge to support the deficit-cutting effort.

Meanwhile, the Treasury Department reported that the red ink figure for fiscal 1990 — which ended Oct. 1 — reached $220.4 billion, the second highest ever.

Passage of the budget package would ease the way for an end to the long and troubled congressional session. On Friday, the House and Senate also dealt with a flurry of other legislation.

- The Senate gave final congressional passage to a $268 billion defense bill that made modest cuts in weapons systems.
- The House approved on a voice vote and sent to the Senate a bill toughening sanctions against banks and savings and loans convicted of money laundering for drug dealers.
- The House passed and sent to the president a bill requiring more nutrition information on food labels.

(See BUDGET, Page A2)



House OKs clean-air package

WASHINGTON (AP) — The House approved the first overhaul of federal clean air laws in 13 years Friday night, requiring new pollution controls to sharply reduce urban smog, acid rain and industrial release of toxic chemicals.

The 1,100-page bill passed by a vote of 401-25 and immediately was sent to the Senate. Senate Majority Leader George Mitchell, D-Maine,

N0001019

Ty Detmer's popularity rising

By DICK HARMON
Herald Sports Editor

A pair of elementary schools on ...th ends of the U.S.A. are apparently bowled over by BYU quarterback Ty Detmer.

They're holding him right up here with Saturday cartoon heros like the Teenage Mutant Ninja Turtles and Batman.

Orem Elementary School in Orem lined up 750 students and faculty Friday — wearing blue and white and ties spelling out with a mass of bodies: "Ty For Heisman" — on a soccer field to the tune of the Tysman Rap.

Across the country in Pottsville, Pa., the fourth-grade class of Jack Spleen has a bulletin board that includes everything they can get their hands on about Detmer.

The ...sville School recently received a video from the junior quarterback, telling them the dangers of drugs and answering questions about his hobbies and heroes.

This weekend, the kids from Pottsville took a picture of their class wearing ties and forwarded it with a care package to Detmer for his birthday. He turns 23 Tuesday.

In Orem Friday the entire school dressed in blue and white and saluted Detmer, who spoke to the student body.

"Our school's mission statement is to provide a warm, caring enviornment where all have the opportunity to learn and become respectful, responsible and competent citizens," according to Lynn Davies, a member of the student council advisory committee.

"Orem Elementary feels that Ty is a great example of this kind of citizen," according to principal Brent Milne. "We wish the the best of luck for the Heisman."

The day was designated "Ty Day," and the school children poured on to the field like a sea of bodies beginning at 10:30 a.m. At 11 a.m. Detmer arrived and accepted a T-shirt.

Earlier this year in Pottsville, Spleen's class wrote to BYU asking if Detmer would answer a questionnaire about dealing with drugs, how to handle pressure and other questions.

Through BYU associate sports information director Jay Monson, Detmer responded via a video tape.

"We wanted to pick a role model for the kids to follow," said Spleen.



Ty Detmer accepts a school T-shirt in Orem Friday.

rain.

But supporters hailed the legislation as the most far-reaching piece of environmental legislation to be considered by Congress in years. "This bill will be the standard by which we will judge environmental legislation in the '90s," declared Rep. Mike Synar, D-Okla.

Despite its lopsided approval, the bill was the product of months of intense bargaining by House members among themselves behind closed doors.

The highly technical and far-reaching bill requires tighter emission controls on cars, cleaner-burning gasoline blends and pollution controls on businesses to combat urban smog.

Smog-producing emissions from automobiles must be cut by 30 percent to 60 percent and gasoline sold in areas with smog problems must be 15 percent cleaner toward the end of the decade.

More than 100 cities that are failing to meet federal air-quality

(See CLEAN AIR, Page A2)

N000110

...'s time ...o regain ...ost hour

By PATRICK CHRISTIAN
Herald Staff Writer

...hen Americans change their ...ks Sunday an hour back to ...dard Time, firefighters would ... them to also change the batter... in their smoke detectors.

...hanging clocks back an hour, as ... United States goes off of ...lightSavings Time, will result ...n extra hour of sleep.

...ech...ly, the change occurs at ...m... time, which becomes 1 ...

"Changing batteries in smoke ...ms could save a live," said ...m Fire Marshal Larry Ballard. ...allard said when smoke alarms ...t became popular, their life-...ing potential became quickly ...arent as fire deaths declined. ... he said deaths are now on the ...rease because people are dying ...omes with smoke detectors that ...'t work because the batteries ... dead.

...le said detectors only work ...en the batteries are good, he ...l maintainence is very important and he said automatically changing batteries when clocks are changed twice a year, is a good habit to foster. Firefighters throughout the United States are trying to conduct a campaign that will set the clock/detector battery change habit forever.

Provo Fire Chief Bill Blair said, "Our goal for the 1990s is to reawaken people to the need for working smoke alarms."

"The simple act of installing a battery may be the simplest, most acces... way to protect our hom... and families from fire. Having a ... detector is absolutely po... if it's not maintained."

Fall Back

It's standard time again. Remember to set your clock back one hour at 2:00 a.m. this Sunday, October 28th.



Kuwait leader seeks attack; 2 Americans held

By LAURA KING
Associated Press Writer

Kuwait's exiled prime minister was quoted Friday as appealing for a military strike to oust Iraqi forces from his homeland. Diplomats said the occupiers had seized two American men who evaded capture for weeks.

Iraq gave new indications it might be willing to negotiate a settlement. President Saddam Hussein told Channel 3 radio of Algiers, Algeria, "When the greater interest demands it, everything is open to consideration." But he went on to rule out "ceding our rights."

Soviet President Mikhail Gorbachev, opening a three-day visit to Spain, said his country favors a "political solution." Soviet Foreign Minister Eduard A. Shevardnadze, traveling with him, reportedly said Iraq appears to be seeking international talks.

However, the Soviet leaders said Iraq must withdraw from Kuwait.

President Bush has asked Secretary of State James A. Baker III to visit Saudi Arabia early next month for discussions on the Persian Gulf standoff, the White House said Friday. Press secretary Marlin Fitzwater said news reports that Baker would ask the Saudi government to approve military action against Iraq were "not true."

Baker might also stop in Egypt and other countries, other officials told The Associated Press.

There were also reports from

(See GULF, Page A2)

Orton again denies ties to anti-Snow campaign

By PATRICK CHRISTIAN
Herald Staff Writer

Democratic congressional aspirant Bill Orton again denied he has ties to Utahns for Ethical Government — which has been critical of the GOP's Karl Snow.

Snow and Orton are seeking Rep. Howard Nielson's 3rd Congressional District seat in the Nov. 6 election.

Snow campaign manager Clark Caras said it was interesting that Orton was at George Murdock's house Friday. George Murdock is the brother of Ken Murdock, a member of Utahns for Ethical Government.

George Murdock said the Orton meeting at his home had nothing to do with Utahns for Ethical Government.

Murdock, of Orem and president of Miller Honey of Coulton, Calif., said he is a lifelong Republican who never remembers voting for a Democrat. His yard, however, now sports two large Orton campaign signs.

Utahns for Ethical Government is one of about three recent organizations to oppose Snow. Two separate groups, both called Republicans for Orton, have been recently organized.

(See ORTON, Page A2)

Index

Find it

Arts/Entertainment	B4
Classified Ads	B6-C8
Comics	B5
Crossword	C2
Horoscope	B4
Legal Notices	B6
Movies	B4
National	A3
Obituaries	A4
Sports	B1-B3
State	A3
Stocks	A6
World	A3

Weather

Today through Sunday mostly sunny days and fair nights. Highs 70-75. Lows upper 30s to mid-40s.

See Page A6.

Air Quality

Air quality remained good along the Wasatch Front with a slight increase in pollution levels expected.

To enjoy the convenience of Daily Herald home delivery, call 375-5103

9704383072

• **A House-Senate conference** committee reached agreement early Friday on a $15.5 billion foreign aid bill that, among other things, would forgive $6.7 billion in Egyptian military indebtedness to the United States.

Although legislative leaders expressed confidence that the budget deal would make it through Congress, they spent much of the day hunting for votes among the rank and file.

Top Democrats sought the support of the Congressional Black Caucus. But many of its 24 lawmakers — all Democrats — said they would oppose the budget unless the Senate took another crack at overriding Bush's veto of the civil rights bill. The Senate fell one vote short of override this week.

and the [illegible] was expected to have little t[illegible] in the Senate.

The package [illegible]ring completion contained a jump in the federal gasoline tax to 14 cents a gallon from 9 cents. New levies also would be aimed at alcohol, tobacco, furs and costly private planes.

The ballooning costs of Medicare would be reined in by $44 billion over the next five years. Most of the reductions would be in payments to doctors and hospitals, but $10 billion of the cuts would come directly from the elderly and handicapped people the program serves.

Their monthly premiums for doctors' coverage would swell from $28.60 this year to $46.20 in 1995, and their annual deductible would be bumped from $75 to $100.

Cost estimates for the new controls have varied widely. The bill's supporters have said the legislation will cost the economy about $10 billion a year beginning in 1995 and about $22 billion by the year 2005, when most of the requirements will be in effect.

COSTS

• White House estimates: $11 billion cost a year to the econ[illegible] 1995 and between $22 billion and $25 billion by year 2005.

• Industry estimates: $35 billion to $60 billion a year by 2005.

• Current air pollution controls cost the economy $32 billi[illegible] year. The American Lung Association estimates clean air eventually reduce health care costs by $50 billion a year.

ORTON:

(Continued from page A1)

At a press conference this week, Utahns for Ethical Government featured former investors and a former officer Global Oil/Unique Battery who said Karl Snow had lied about the extent of his involvement with the company in 1984 and the extent of his relationships with Michael Strand, a convicted felon, involved in stock dealing with the company.

Murdock said he is not a member of these organization, but he said he is considering adding "Republicans for Orton" on the yard signs to indicate that he doesn't support national Democratic ideals.

Snow campaigners have hinted that they believe Orton might be behind Utahns for Ethical Government because it is chaired by Scott Norton, whom they say is a close friend of Orton's.

"Karl Snow said we were close personal friends," said Orton. The Democrat said that conjures up images of friends who go to movies together, talk to each other on the telephone or send Christmas gifts to each other. And Orton said that has never been the case.

Orton said he was misquoted when it was reported that he stated that he was not a friend of Norton.

However, Orton said to say that he and Norton are not friends might not be exactly on the mark.

Norton used to visit a Brigham Young University student ward where Orton was in the LDS bishopric. Orton said at least once he had been at a ward activity at Norton's home.

Yet Caras said Snow's campaign workers have received many telephone calls from people describing themselves as former ward members who said Orton and Norton were friends.

In a debate Friday, Snow said the two were called, "Norton and Orton, the Bobbsey Twins."

Orton admitted that Norton recently came to him wanting to use information negative to Snow. The information was contained in a commentary by BYU student Eric Schulzke in the independent Student Review.

Orton said Norton argued that it was the responsibility of a political foe to bring out all information relating to why voters should chose one candidate and reject the other even if some of that information or using it was personally repugnant.

Orton said he refused Norton's offer of help.

Norton confirmed this and said that after being rejected by Orton, Norton formed Utahns for Ethical Government and arranged to reprint and distribute articles written by Schulzke.

Schulzke worked on GOP primary candidate John Harmer's campaign against Snow.

Additionally, Utahns for Ethical Government received advice from Peggy Fugal, who has been at odds with Snow over an alleged campaign debt from 1984. Fugal said she gave the organization advice on conducting its press conference last week.

Also, she gave Norton a copy of a letter Snow had written to her about an advertising bill Peggy Fugal Advertising Co. claimed was unpaid by the 1984 Snow for Governor Campaign. The letter from Snow mentioned Strand's name three times. Fugal maintains Snow didn't pay a 1984 campaign debt. He denies owing it.

GULF:

(Continued from Page A1)

Washington that Saddam has adopted a "scorched-earth" strategy if his troops are forced out of Kuwait. Administration sources said Iraq had used American and other hostages to wire Kuwait's four oil refineries with plastic explosives capable of knocking out the emirate's entire refining capacity.

In his comments, Kuwait's exiled prime minister, Sheik Saad al-Abdullah al-Sabah, urged a military strike to reclaim his own homeland — even if it meant leaving the emirate in ruins.

"What is left of Kuwait after what Saddam's soldiers did to it?" the Saudi daily Asharq al-Awsat quoted him as saying in an interview published Friday.

"As a citizen and a responsible official, I am ready to sacrifice everything for the sake of regaining my land and liberating it, and that is how each ordinary Kuwaiti thinks," said the prime minister, who is also crown prince.

Kuwaiti officials earlier agreed with U.S. declarations that the international economic boycott should be given time to work before a military attack is contemplated.

The Americans who were seized were identified by Western diplomats in Baghdad as Uwe Jahnke, 47, of Washington Depot, Conn., and John Stevenson, 44, of Panama City, Fla.

The diplomats, speaking on condition of anonymity, said the pair was brought to Baghdad on Oct. 22, a day after being picked up in Kuwait, and taken to a hotel where scores of other foreigners are being held.

After his Aug. 2 invasion of Kuwait, Saddam prevented thousands of foreigners from leaving Iraq and the conquered emirate. Hundreds have since been released, but Saddam is apparently seeking anew to pry concessions from Western governments in exchange for their citizens' freedom.

German Foreign Minister Hans-Dietrich Genscher said Iraq had set a "series of conditions" for the release of about 400 Germans, but that Germany would only accept their unconditional release.

He did not list the Iraqi demands but said one was that he himself travel to Baghdad. Genscher made his remarks after meeting with British Foreign Minister Douglas Hurd, who also called for the unconditional freeing of all foreign hostages.

In Canada, Prime Minister Brian Mulroney rejected the idea of sending a high-level envoy to win release of Canadian hostages in Iraq, calling it a bid by Saddam to divide the nations allied against him.

"I think a special envoy is a ploy of Saddam Hussein for publicity purposes, for propaganda purposes, to destabilize the solidarity alliance — that's all it is," ney told reporters in Ottawa.

Iraq has said French nat would be free to leave beg Saturday, and France has i no deal was struck with Sad win their freedom.

French officials also deni knowledge Friday of a lette dam reportedly sent to Fren Soviet leaders offering to Mideast problems.

French President Francoi terrand and Soviet Presiden hail S. Gorbachev are to h days of talks in Paris be Sunday.

WARNING!

*LDS missionaries machine-gunned in Bolivia.

*LDS chapels bombed in Chile

*LDS church banned in Ghana.

Is there a planned conspiracy?

write: LDSM&A
P.O. Box 1186
Provo, UT 84603

Semi-Truckload Wheat SALE

WHO: Bosch Kitchen Center (previous location of Magic Mill Ctr.)

WHEN: 9 am - 7 pm Saturday, Oct. 27 and Monday, Oct. 29

WHERE: 1133 So. State, Orem 224-1616

WHAT: Buy a bag of wheat or a truckload! Montana Hard, white or red. Reg. $10.50. SALE PRICE $8.95. Bosch mixer demonstrations every hour. Pre-holiday savings throughout the store. We also sell juicers!

Bosch Kitchen Center

Watch for our GRAND OPENING AD SOON!

N

P

LDS BO

"DISCOUNT

NEW!! Kurt Bestor Cassett

Competitor Price ...

Our Price $8



N000111

Post-menopausal women can get pregnant via test tube

BOSTON (AP) — Older women can now get pregnant after menopause with the help of a method of test-tube fertilization that bypasses one of the seemingly absolute barriers of biology.

With this technique, doctors remove eggs from a healthy donor, fertilize them in a lab dish with sperm and then implant them in the infertile woman's womb.

Its developers say the new method should allow healthy women to routinely get pregnant and give birth after the change of life, even when they are in their 40s, 50s and perhaps 60s.

"The menopausal woman can have a family using this technology," said Dr. Mark V. Sauer of the University of Southern California, who was among the first to offer the method.

Of course, because the mother does not provide the egg, she is not the genetic parent of her baby. Nonetheless, after she receives the fertilized egg, she undergoes a normal pregnancy and delivery.

Sauer's clinic charges $8,000 for each fertilization. In addition, couples must pay $1,500 to the egg donor.

This novel approach represents a way to circumvent the shutdown of the ovaries, usually around age 50, that ordinarily represents the end of a woman's reproductive life. But not any longer.

"The limits on the childbearing years are now anyone's guess," wrote Dr. Marcia Angell, executive editor of the New England Journal of Medicine.

"Perhaps they will have more to do with the stamina required for labor and 2 a.m. feedings than with reproductive function."

Sauer reported his findings in Thursday's issue of the journal. It was the second report in two days offering the hope of pregnancy for infertile women.

In Wednesday's Journal of the American Medical Association, doctors reported that a new device that opens blocked fallopian tubes with a tiny balloon can offer a simpler and cheaper method for helping some infertile women become pregnant than previously available.

The implantation technique reported by Sauer has gone into widespread use among menopausal clients of fertility clinics across the United States during the past two years.

Among the first treated was a 42-year-old patient of Sauer from El Monte, Calif. The woman, who spoke on condition of anonymity, lost the use of her ovaries after she underwent chemotherapy for cancer four years ago.

Her test-tube baby, a girl, was born eight months ago.

"I didn't think I would ever be pregnant when my ovaries quit working," she said. "I was so happy. The baby seems like a miracle to me."

Last week, she received the fertilized egg of what she hopes will be her second child.

Sauer said that up to 10 percent of women go through menopause naturally by age 40. In his report, he described attempts to achieve pregnancy in seven women in their early 40s.

After giving the women hormone treatments to prepare their wombs for pregnancy, doctors fertilized eggs from three donors and implanted them. Six pregnancies were established. One ended in miscarriage, and one was stillborn. Five normal babies were born, including a pair of twins.

Sauer said the success rate appears to be about three times as high as in ordinary in vitro fertilizations, a technique that has become widely used during the past decade to help infertile couples. Typically, eggs are removed from a woman's ovaries, fertilized outside her body and then put into her womb.

It is possible that women approaching menopause could preserve their own eggs for implantation.



AP Laserphoto

Budget talks

Budget Director Richard Darman (left) and White House Chief of Staff John Sununu huddle during a Cabinet meeting Wednesday, focusing mainly on the budget.

NASA clears Atlantis for flight

CAPE CANAVERAL, Fla. (AP) — NASA found Atlantis to be free of dangerous hydrogen leaks during a fueling test Wednesday, clearing the shuttle for a mission to carry a satellite into space reportedly to spy on Iraq.

It was welcome news for the space agency, which has endured biting criticism during the past half-year because of shuttle trouble, the Hubble Space Telescope's flawed mirror and space station design problems.

"We conducted a very successful test. We saw exactly what we expected to see ... a good, tight system," said Forrest McCartney, director of Kennedy Space Center.

Launch director Bob Sieck said small amounts of the highly flammable fuel escaped into Atlantis' engine compartment and around a 17-inch-diameter valve in plumbing between the orbiter and its external tank, the site of earlier problems. But he said the leaks were well within allowable limits.

The National Aeronautics and Space Administration replaced Atlantis' external tank and conducted fuel lines during the past five months, and installed new seals on the 17-inch-diameter valve.

NASA plans to launch Atlantis around Nov. 9 or 10 with a top-secret Defense Department satellite that will spy on Iraq. Space sources speaking on condition of anonymity said. The mission originally was scheduled for July, but was delayed when the shuttle's leaks were discovered during a fueling test in June.

A launch date will be set after a flight readiness review that begins Monday.

"It's always nice to have a successful test under your belt," Sieck said. "That just leaves one more to go, and that's Columbia. We think we've got that one. We'll know for sure about the middle of next week."

Columbia, grounded by hydrogen leaks since May, will undergo a more extensive fueling test next week. Nearly a dozen television cameras will be mounted in the engine compartment to help track any lingering leaks.

Hydrogen flooded Columbia's engine compartment during the last launch attempt in mid-September, although no leakage was evident in fuel lines between the orbiter and tank.

NASA stopped trying to launch Columbia after four tries and instead put Discovery up on Oct. 6 with a satellite that will study the sun.

GOP candidates losing support

WASHINGTON (AP) — Less than two weeks before Election Day, [illegible]

• In Minnesota, a new poll shows Democrat Paul Wellstone pulling to [illegible]

civil rights bill.

"My specific disagreements with [illegible]



N000112

GOP candidates losing support

WASHINGTON (AP) — Less than two weeks before Election Day, politicians and pollsters are reporting a nationwide drop in support for Republican candidates. Entrenched GOP Sens. Mark Hatfield of Oregon and Rudy Boschwitz of Minnesota are among those endangered.

"The bottom has dropped out," said David Keene, a Republican political consultant and conservative activist.

"In the last ten days Republicans have taken a nosedive," said Rep. Vin Weber, R-Minn.

"There does seem to be a marked movement toward the Democratic Party, largely because of the fairness issue," said Rep. Jim Leach, R-Iowa.

The decline in GOP prospects shows up with remarkable consistency in polls around the country. The shift away from the Republicans has dashed the party's hopes of cutting into the 55-45 Democratic majority in the Senate.

Poll results that have Republicans nervous include these:

• In Oregon, Democrat Harry Lonsdale leads Hatfield 50 to 44 in a survey conducted late last week. A new survey in the governor's race has Democrat Barbara Roberts taking a 4-point lead over Republican Dave Frohnmayer. Bidding for a fifth Senate term, Hatfield got 67 percent of the vote six years ago. Lonsdale, a wealthy businessman, began the race as a virtually unknown longshot.

• In Minnesota, a new poll shows Democrat Paul Wellstone pulling to within 3 points of Boschwitz, who began the campaign rated one of the safe Republicans. Boschwitz aides insist their internal polls say it isn't that close.

• Sen. John Kerry, D-Mass., who was looking like a possible victim of virulent anti-incumbent sentiment, holds a 14-point lead over Republican challenger Jim Rappaport. The race was a dead heat in polls two weeks ago.

• Also in Massachusetts, a new survey puts Democrat John Silber 6 points ahead of Republican William Weld in the race for governor.

• In Ohio, Democrat Tony Celebrezze said an internal poll shows him leading Republican George Voinovich in the race for governor. Independent polls have said Voincovich was holding a dougle-digit lead through most of the race.

• Democrat Harvey Gantt continues to lead Republican Sen. Jesse Helms in North Carolina. The latest survey put Gantt's lead at 8 points.

Symptomatic of the siege mentality among the Republicans was the sudden shift away from President Bush by candidates in his own party.

When the president campaigned Tuesday in Vermont for endangered Rep. Peter Smith, the Republican congressman made clear in his introduction of the president that he disagreed with Bush on taxes and opposed his veto of a civil rights bill.

"My specific disagreements with the administration are a matter of record," said Smith.

Smith's tactic, uncomfortable though it was for the president, was exactly what GOP strategists think their candidates must do.

"Do not hesitate to opposes either the president or proposals being advanced in Congress," said a memo sent to GOP candidates by Ed Rollins, co-chairman of the Republican House campaign committee. The memo told Republicans they ought to make clear their opposition to tax increases and to cuts in Medicare.

Douglas Bailey, a Republican media consultant, called the long-running budget negotiations "a mild form of disaster for Republicans."

During those negotiations, Bush has sometimes endorsed and at other times rejected proposals to increase taxes.

Planning a party? Spider web cauldrons, pinatas, Halloween plates, napkins, to decorations and much much more



U.S

97043830720



"Here's a winter-warming rebate from Day & Night: $150 in cash."

"A Day & Night furnace is the best way I know of keeping heat bills to a minimum. And right now you can get a $150 rebate when you purchase a durable Day & Night deluxe furnace. You'll love its quiet performance and efficiency. And best of all, you'll really see a difference in your bills when you get the furnace that's built with **The Right Stuff . . . To Last.**"

Limited time offer. Offer valid only through participating Day & Night dealers. Call for details.

Model 398
Plus 90 Furnace

day & night
HEATING COOLING

14% Financing Available

Natural Gas! SAVES $367 Each Year

Get The B
Payment Or In



N000113

Inside Today:
School district told it will have to make tough busing decisions
Page B1

Nation
Senate sustains civil rights veto
Page A3

Focus
Sewing & Crafts are made easy
Page B6

Sports
Intensity defines BYU versus UNM
Page C1

The Daily Herald

Wednesday, October 24, 1990 — Central Utah's Newspaper for 116 Years — Issue No. 85, Provo, Utah — 50 Cents

Saudi king firm on Iraq withdrawal

By The Associated Press

Saudi Arabia's king today denied reports that the Saudis are willing to accept territorial concessions to defuse the Persian Gulf crisis, and a U.S. senator said Iraq and the multinational force are headed for war.

Thirty-two British hostages returned to London today, and about a dozen Americans also freed on Tuesday were headed home.

One of the British hostages who was held at a strategic site in Iraq said he and his fellow captives briefly rioted when their guards refused to provide them with enough food or adequate toilet facilities.

Iraq's ambassador to France said all French citizens in Iraq and occupied Kuwait could return to France within two days.

Iraq's parliament on Tuesday endorsed Saddam Hussein's proposal to allow all French citizens in the country to leave, a gesture seen in Paris as an attempt to divide the West's anti-Iraqi alliance.

The more than 300 French citizens in Iraq and Kuwait are among hundreds of Westerners prohibited from leaving by Saddam since his invasion of the emirate Aug. 2. Many are being held at strategic installations to deter a possible attack by the U.S.-dominated mul-



Democrats ready to drop demand for surtax on rich

WASHINGTON (AP) — House Democrats appeared ready today to drop their demand for a surtax on the wealthy, opening the way to a deficit-reduction plan acceptable to President Bush and to most members of Congress.

The Democrats' shift appeared also to avert a possible, partial government shutdown at midnight.

Several senior Democrats, asking not to be named, said they feared that continued insistence on the surtax could doom the five-month effort to find an acceptable deficit plan. Such failure could also trigger deep cuts in government services less than two weeks before the Nov. 6 elections.

"It's one thing to tax the people's pocketbooks and it's another thing to tax their patience," said Rep. Tom Downey, D-N.Y. "We've done too much of both."

Senate negotiators were awaiting a new House Democratic proposal that presumably would raise the tax burden on the wealthy by limiting their itemized deductions — not by imposing a new surtax.

Other elements of the deficit-cutting plan would raise the top tax rate for the wealthy, hike the gasoline tax by at least 5 cents a gallon and impose new costs on Medicare recipients. The plan would also cut spending on a variety of programs, including veterans' and agricultural programs.

Oddly, signs that Democrats might be ready to drop the surtax surfaced even as some House Republicans were indicating a possible softening of their own opposition. "It's a possible," House GOP Leader Robert Michel of Illinois said of the surtax after a party

(See BUDGET, Page A2)

Dole quits Cabinet to head Red Cross

WASHINGTON (AP) — Labor ... service she was looking forward to

N000114

toward conflict," Sen. Richard Lugar, a member of the Senate Foreign Relations Committee, said during an interview on NBC's "To

(See GULF, Page A2)

Garn still trying to get CUP bill through Senate

WASHINGTON (AP) — Sen. Jake Garn, R-Utah, hopes to move the $679.9 million Central Utah Project funding measure through the Senate, but says doing so by Thursday is contingent on negotiations over reclamation "reform."

Last week, the House voted 211-143 to pass a bill authorizing completion of the CUP by the year 2000.

The bill contained a controversial rider from a separate water [illegible]-reclamation revision bill by Rep. George Miller, D-Calif., a key member of the House Interior Committee.

Miller, a longtime critic of CUP, agreed to support the CUP-completion bill if Utah's congressional delegation would accept as a rider to it his reclamation revision language.

The language would prevent farms larger than 960 acres from receiving federally subsidized irrigation water.

The Senate Energy and Natural Resources Committee has approved its own HR2567, which could be taken up on the Senate floor Wednesday or Thursday and to which Garn would attach the CUP funding provisions from the House-passed CUP bill.



Herald Photo/Tamara Sneddon

On the fence

Brothers Jorge (left) and Martin Berrocal take turns pounding nails in a new fence that they built for a contractor. The fence lines Orem's Rotary Park.



Elizabeth Dole

[illegible] head of the American Red Cross.

Dole's departure was announced by President Bush, who said she had "earned the respect of the American people and as secretary of Labor has made the work place safer, healthier and more secure."

Dole, the highest ranking woman in the Bush administration, said that after 25 years in government

Dole, 54, has been credited with easing hostilities between unions and Republicans during her nearly two years in office. She worked to strengthen job safety programs and toughen enforcement of child labor laws, and was also praised for her efforts to settle the bitter Pittston coal strike in 1989.

But others criticized her "low profile" within the administration and complained that she was not a part of the White House policymaking process. They cited last year's debate on the minimum wage bill, in which White House chief of staff

(See DOLE, Page A2)

Snow says he's 'mad as hell' at latest attack

By PATRICK CHRISTIAN
Herald Staff Writer

An angry Karl Snow tried Tuesday to react to a press conference that hadn't been conducted yet.

At his press conference in Provo, Snow charged that Utahns for Ethical Government would attack him at a press conference this morning in Salt Lake City.

Snow charged that Utahns for Ethical Government's agenda is politically motivated. And he said the organization is not being ethical in the tactics it is employing.

Utahns for Ethical Government did conduct its press conference this morning. It was, as Snow said it would be, critical of Snow.

"At this point, I'm as mad as hell," said Snow Tuesday.

He said it was unethical for Scott Norton, president of Utahns for Ethical Government, to be rehashing allegations that Snow claimed have already been laid to rest by a panel of four independent attorneys and a certified public accountant, who all cleared Snow of wrongdoing.

Snow charged that Norton is a close friend of his Democratic opponent Bill Orton.

But Orton adamantly denies any involvement with Norton.

"It is outrageous, absurd and an obvious attempt by Karl Snow to try to divert attention from himself and his own problems over to me by making allegations that I am the root of the problem," Orton said. "Karl Snow has enough problems of his own without me getting involved."

He added that most of Snow's detractors are fellow Republicans who are concerned about Snow's past. Orton admits to knowing Norton when Orton served in the bish-

(See SNOW, Page A2)

Three investors claim Snow closely linked with Strand

By PATRICK CHRISTIAN
Herald Staff Writer

Congressional candidate Karl Snow is lying when he denies extensive involvement with convicted stock promoter Mike Strand and the Unique Battery/Global Oil merger, three figures in the failed merger asserted today.

At a Salt Lake City press conference sponsored by Utahns For Ethical Government the three, Herb Gleason, John Darger and Percy Kalt said they were involved with Unique Battery and Global Oil and said Snow has lied about his own involvement.

The press conference was conducted in the Governor's board room at the state capital by Scott Norton, president of Utahns For Ethical Government. "I do not represent Bill Orton and am not associated with the Bill Orton campaign," Norton said. "I am a private citizen."

Norton also denied Snow charges made Tuesday that Norton may be violating federal election laws and is a close personal friend of Bill Orton's.

Norton said he formed his organization nine days ago after reading an article in the Student Review of Provo outlining the involvement of Snow with Strand and the Unique/Global merger. He said he was so outraged that he took the information to Orton but Orton said he did not want to get involved with Norton or the information.

Norton said three names keep coming up whenever Karl Snow is talked about — Mike Strand, Unique Battery, and Global Oil.

"Mike Strand is a twice convicted penny stock felon. Karl Said he never had any financial dealings with him other than buying stock. The men here today say he was deeply involved," said Norton.

Darger, making his first public appearance since the Snow/Strand allegations surfaced months ago, identified himself as the owner of Unique Battery. He said, "Karl Snow denies extensive involvement with Mike Strand and denies involvement with the Unique Battery/Global Oil penny stock scheme. He is lying. I was there."

Orem neighborhood upset over rezoning plan

By ROBB HICKEN
Herald Staff Writer

Residents of an Orem neighborhood are angry about a proposed zone change that may push something into their backyard they don't want.

The residents concluded that the Orem Planning Commission paid little attention to them when dealing with growth and development in their neighborhood.

"I just don't think the City Council will listen either," Orem resident Joann Madsen said Tuesday night. "I think the council will just go ahead and do what it wants to do anyway."

The residents, meeting at an 1160 West home, are enraged because the planning commission approved rezoning a corner lot at 1200 West and Center streets.

"We had a lot of people in the room the night that they (the planning commission) went against us," said Mike Seamon, a resident. "The planning (development services) staff even said it was a bad idea, and that it wouldn't work, but the planning commission went ahead and approved the zoning change."

The residents gathered at a home to discuss action they might use in getting the city manager and council to respond in their favor and overturn the planning commission's decision.

"If they put anything there, it'll be right out our back window," said Seamon. "The minute they put in anything commercial it'll depreciate the property of the homes in the next block over."

The neighbors', more than 20 in number, all live due east of the proposed zoning change.

Development Services Director Ed Stout explained Monday that his staff recommended to the planning commission that the changes not be made. He said that the depth of the lot would not accommodate the proposed usage.

"The lots are not near deep enough," he said.

According to Stout, the property owner has requested the change from residential to highway services. Highway services would allow for the development of restaurant, fast food or quick stop shopping.

The property is on the east side of 1200 West, and is currently listed as a transitional zone — being considered for a different zone. It is the only parcel of land in the area south of Center Street being considered as transitional.

Resident Spencer Cottam said the City Council will not budge on the issue on the night the item comes up for action.

"Logic just doesn't do anything with the council," said Cottam. "We have to get in and see the council members before the council meeting and let them know that the community is upset over the rezoning."

Madsen, who lives directly through the block from the rezoned

(See REZONING, Page A2)

Index

Find it

Arts/Entertainment	D1
Classified Ads	D3-D9
Comics	D2
Crossword	D3,D7
Horoscope	B5
Legal Notices	D3
Movies	D1
National	A3
Obituaries	B2
Opinion	B4
Sports	C1-C8
State	B3
Stocks	A7
World	A6

Weather

Fair tonight with lows in the 30s. Thursday will see sunny skies and warmer temperatures, with highs near 70.

See Page A4.

Air Quality

Air quality was good up and down the Wasatch Front with little change in pollution levels expected.

See Page A2.

N000115

Herald "Want Ads" get results. Place your ad by calling 373-6450

territorial concessions to Iraq to prevent war.

The king stressed that the Saudis demand an unconditional Iraqi

ed to have raised the possibility of allowing [illegible] to keep some Kuwaiti territo[illegible] if withdraws its hundreds of thousands of troops.

SNOW:

(Continued from Page A1)

opric in the same ward as Norton.

"He got married several years ago and until a couple of weeks ago, I hadn't seen him for a very long time," Orton said, adding that "I approached him for a contribution and he declined."

Orton said he is disappointed with the media focus on the candidates' backgrounds and suggests that Snow takes steps to talk about the issues instead of trying to blame Orton for his problems.

"I continue to press for discussion of the issues: the federal budget, education, economic development ... I have refused every opportunity to use this information against Karl Snow. If I did, I would be out there asking the difficult questions," Orton said.

The Snow campaign became aware of Norton's group conducting its own investigation into Snow's involvement with convicted felon and stock manipulator Michael Strand and alleged joint involvement with Global Oil and Unique Battery.

Strand was promoting stock deals involving a proposed merger between the two companies.

Snow said his campaign's information had discovered that Norton's group planned to distribute copies of articles in the Student Review of Provo.

The articles were written by John Harmer's cousin and former Harmer campaigner, Eric Schulzke, said Snow. They were a biased and politically-motivated account of his alleged involvement with Strand and the two companies.

Snow called the article libelous and threatened that anyone who redistributed or republished them could face legal action.

Harmer had also been running as a GOP candidate for the 3rd district, but lost in a Republican primary runoff to Snow.

Contacted Tuesday, former Harmer campaign manager Mickey Cochran said Schulzke was actually a "second cousin twice removed." He said Harmer had nothing to do with the articles or Norton's efforts.

Norton was also contacted Tuesday and said he was reserving any comment until his press conference this morning.

Snow charged that Utahns for Ethical Government spending thousands of dollars targeting him for bad publicity may be a violation of federal election laws.

Snow said Norton's sources of information included Percy Kalt, himself a convicted felon who fire bombed Strand's home and threatened his daughter. He said other sources included polygamists.

He asked how ethical these sources were.

"Five lawyers and a CPA have already cleared me of any wrongdoing," said Snow. He said Norton's efforts to keep the allegations alive is really a "campaign tactic."

Nevertheless, Snow said he would allow Norton to review the documentation that CPA Kurt Bramble used to complete his report that cleared Snow of wrongdoing involving Strand or the companies — with the exception of his federal and state tax reports.

Snow asked that if the allegations of any wrongdoing against him have any validity, why hadn't he — as some others involved in the Strand companies — ever been involved as a plaintiff or defendant in a lawsuit or been in trouble with the IRS.

Snow said he was only guilty of helping others — refering to his helping Strand after being contacted by Snow's former LDS bishop, Lyman Smart.

Snow had tried to get the federal case against Strand reviewed because Snow was convinced that Strand had been wrongly convicted. Strand later worked on Snow's unsuccessful 1984 gubernatorial campaign.

Snow said he was just like other investers in the Global Oil/Unique Battery proposed merger who lost money.

People like Norton are trying to paint him guilty by association with Strand, Snow said.

1990
Homecoming
SPECTACULAR
Young Ambassadors

WE ADD ONLY 10% TO THESE PRICES

TOMATOES By The Cup 29¢ lb.

BANANAS 19¢
ORANGES 5 for $1.00
CAULIFLOWER 29¢
SEEDLESS GRAPES 59¢
APPLES 39¢
LETTUCE 29¢

REAM'S QUALITY MEATS
STEAK Bottom Round Boneless 1.89 Lb.

RUMP ROAST 1.69
FRYER BREASTS 98¢
SAUSAGE 4.49
PIZZA 2.39
BACON 1.
LUNCH MEATS 98¢
SAUSAGE 1.
CHEESE 1.

POPCORN White or Yellow 2 Lb. 69¢

BATHROOM TISSUE 89¢
BREAD 3/1.00
DINNERS 1.25
DAIRY DESSERT 1.49
CHOCOLATE CHIPS
FACIAL TISSUE
POTATO CHIPS
LAWN BAGS

COOL WHIP Whipped Topping 12 oz. 89

CAPRI SUN 1.00
MICROWAVE SOUPS 59¢
CINNAMON ROLLS 89¢
DIAPERS 6.00
LINERS
FRUIT DRINKS
STAY FREE
ICE CREAM

HALLOWEEN IS JUST AROUND THE CORNER
CHILDRENS COSTUMES
WITCH
NINJA

WITCH BROOM 2.99
DEVIL PITCH FORK 1.69
TOOTH BLACKOUT 1.29
FAKE BLOOD 2/1.00
WITCH'S WIG
ADULT COSTUMES
RAINBOW WIG
MAKE-UP SET

'VIDEO CORNER'
PRETTY WOMAN 11.

N0001116

Inside Today:

Strong advocates abound on both sides of the food sales tax issue

Page C1

World

Coalition wins in Soviet Georgia

Page A4

Lifestyle

Part 2 of series: Surviving year 1

Page B5

Sports

Giants, 'Niners hit 7-0 plateau

Page C1

The Daily Herald

Monday, October 29, 1990 — Central Utah's Newspaper for 116 Years — Issue No. 90, Provo, Utah — 50 Cents



AP Laserphoto

Lance Cpl. Jose Proencaja of Richfield Park, N.J. (right) and Sgt. Richard Rochette of Crystal River, Fla., participate in mine-sweeping training in the Saudi desert today.

France orders diplomats to quit
[illegible] Kuwait head home

CUP bill dies when no compromise reached

Garn, Hatch will try again in January to get bill passed

By SUSAN SCHAUER
Herald Washington Bureau

WASHINGTON — Sens. Jake Garn and Orrin Hatch are both "disappointed" that in the rush for adjournment, the House and Senate failed to reach a compromise on legislation authorizing $896 million to complete the Central Utah Project.

While the Senate early Saturday morning did give its approval to a massive water projects bill that included the CUP authorization, the measure was different from the House-passed bill.

"In the Senate, we stripped out the water reclamation that Congressman (George) Miller wanted," Garn, the bill's chief sponsor, told The Herald Saturday, noting he would try and negotiate a compromise with the House right up until adjournment, "but I'm not optimistic at this point."

Miller, D-Calif., chairman of the House water and power subcommittee, insisted on the reclamation reform to close loopholes in the law that allow large irrigators to enjoy what he sees as "huge water subsidies."

Lobbyists and other lawmakers met in marathon sessions to complete action on the deficit reduction package as well as several other major pieces of legislation. Garn said the good news is that at least our failure to act won't affect us at all this year. It won't stop any work in this fiscal year.

Hatch, R-Utah, also voiced his disappointment, but noted he'd stand by Garn in January to reintroduce the measure. "I was really disappointed that CUP did not get the authorization it should have," he said. The CUP passed the Senate but was bogged down by political maneuvering over a California reclamation project that finally spelled disaster for the Utah project.

"While we didn't get what we wanted this Congress, I think it looks bright for passage sometime early next year," Hatch added.

Garn says he's already received assurances from various colleagues for help in getting this thing passed first thing next year.

"The good news in bringing it up again next year is that we'll have nothing more to negotiate. The work is all done. We'll get an earlier start and nobody can block it this way," he explained. "It will be considered on its own merit with no extraneous matter added to it."

Provo rail crossing wins OK

By SUSAN SCHAUER
Herald Washington Bureau

WASHINGTON — The massive $12.9 billion transportation spending the Provo cross-over.

Garn said there currently are only two bridges over the railroad tracks in Provo. "This bridge will

$4.25 million to upgrade U.S. Highway 89 between Farmington and Ogden.

The money, Garn said, will ena-

N0001117

State GOP chairman refuses Snow's request for 3rd probe

By PATRICK CHRISTIAN
Herald Staff Writer

SALT LAKE CITY — Utah Republican Chairman Richard Snelgrove said he will not review the financial background of 3rd Congressional District Republican GOP candidate Karl Snow.

Besieged with more criticism over his past relationship to once-convicted stock manipulator Michael Strand and Unique Battery/Global Oil, Karl Snow asked Snelgrove last week to launch another review of his past business dealings.

Snelgrove said this morning at a press conference at Republican headquarters: "It is my determination that I will not assemble a panel to once again review what has already been reviewed not once but three times."

Snelgrove said Snow has been cleared by a committee of attorney's who swore under oath of their complete independence and impartiality, then cleared by a certified public accountant.

"Finally Karl Snow has been cleared by yet another attorney bound by the cannon of ethics."

Snelgrove said another panel would only serve to play into the hands of Bill Orton and the Democrats by dragging this out longer when it is a non-issue, Snelgrove said.

"The only issue between now and next Tuesday should be that Orton and a Democratic leadership have some explaining to do and must apologize to the people of the 3rd District for their use of Chicago-style sleazy politics which has lowered Utah politics to a new low," said Snelgrove.

Utah's top Republican Party leader said Karl Snow is clean and has done nothing illegal, improper, immoral and he has run a clean campaign.

"The same cannot be said of Bill Orton because this has been nothing but a politically motivated smear campaign," said Snelgrove. Snelgrove said that Snow did know Michael Strand but he said guilt by association is not a standard to which candidates or anyone else should be held. He said if guilt by association was an accepted standard absolutely no one could run for office.

He said it's an unfortunate fact that negative political campaigning does work.

"Orton and the Democratic leadership have admitted in their polls that if they can paint Karl Snow as a penny stock cheater who is in cahoots with a convicted felon that it will improve their chances of winning," said Snelgrove.

Snelgrove said it should not be surprising that Orton's signature is on a checkout form of the court file of Unique Battery in the court clerk's office in Davis County, stemming during the primary campaign. He said it is interesting to note that this is when the Strand, Unique Battery/Global Oil allegations were made.

BUDGET:

(Continued from Page A1)

a historic ethics scandal that culminated in the resignations of Speaker Jim Wright and Majority Whip Tony Coelho. Both were accused of ethical lapses in their personal finances.

After taking over as speaker at midyear, Foley parlayed the demand for tighter ethics rules into a new pay raise plan. Lawmakers would get a big salary boost if

GULF:

(Continued from Page A1)

Iraq's use of hostages "amoral."

The Soviet leader urged sanctions against Iraq be stepped up and said the time was right for Arab nations to embark on a new initiative to resolve the crisis, possibly under Saudi leadership.

"It seems to me that the Iraqis could be ready for this," Gorbachev said. "If we were to have an inter-Arab meeting, this would be

French hostages in Kuwait.

Bernard, the French Foreign Ministry spokesman, confirmed that France will honor Iraq's demand to fill the plane with medicine for the return flight. Medicine is excluded from the U.N. embargo of Iraq and occupied Kuwait.

On Sunday, Saddam fired his oil minister, Issam Chalabi, and canceled gasoline rationing, the official Iraqi News Agency announced. It said Chalabi was replaced by Saddam's son-in-law, Hussein Kamel.

When Iraq announced rationing on Tuesday, it blamed the U.N.-

COURT:

(Continued from Page A1)

setts stop and search someone solely because that person reportedly was carrying a handgun in public.

• Let stand a ruling that the at-large system used in Norfolk, Va., city council elections violates the rights of black voters.

A federal appeals court panel last Aug. 18 ordered the city to switch to a single-district election system that will "remedy the vote dilution arising out of the at-large election system."

• Refused to kill a civil rights lawsuit against a Texas city that cracked down on "cruising" teenagers five years ago.

The court, without comment, left intact a ruling that forces DeSoto, Texas, and nine members of its police department to defend themselves at trial against allegations of illegal arrests.

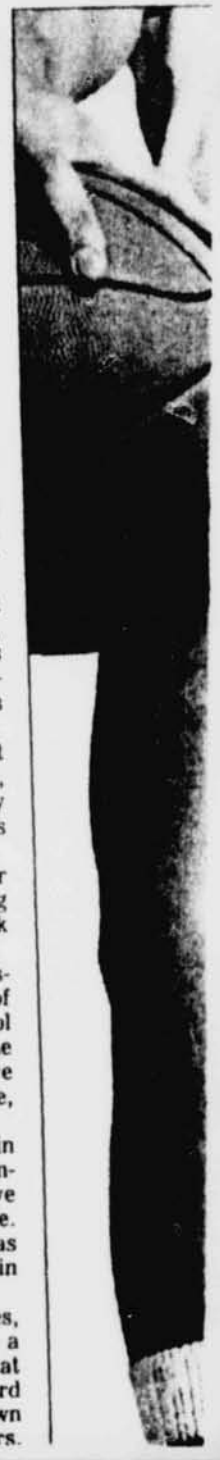
In the Tacoma rape case, at about 2:30 a.m. on Sept. 23, 1984, Ostrander stopped a car driven by Robert Bell because its headlights were on high-beam.

After speaking to Bell, Ostrander arrested him on drunken-driving charges and called for a tow truck to impound the car.

The Tacoma woman claims Ostrander, after ordering her out of the car, simply got into his patrol car and drove away. He claims he offered to call a friend or relative who could give her a ride home, but that she declined his offer.

Bell's car had been stopped in the Parkland area of Pierce County, south of Tacoma and about five miles from the woman's home. Court records indicate the area has the highest violent-crime rate in the county outside of Tacoma.

The temperature was 50 degrees, and the woman as wearing only a blouse and jeans. She says that after walking a half-block toward her home and having turned down



N00118

Also in this section:
☐ Obituaries B2
☐ Opinions B4
☐ Sports B5-B8

Local

GOP leader blasts treatment of Snow

By PATRICK CHRISTIAN
Herald Staff Writer

[illegible] press conference Monday [illegible]on, Utah's top Republican leader decried the way the GOP's 3rd District Candidate Karl Snow has been treated, and blamed Snow's Democratic opponent Bill Orton for conducting a dirty campaign.

Utah Republican Party Chairman Richard Snelgrove said Utah politics has deteriorated.

He also said two separate organizations called Republicans for Orton, have no prominent Republican Party stalwarts among their ranks.

Salt Lake County GOP Chairman Peter Van Alstyne said Republicans who joined those splinter groups have indicated that they joined the groups based soley on judgments made on the rumors circulating about Snow.

Reports of Snow being a showcase investor during 1984 in Unique Battery/Global Oil and being involved with Michael Strand, once convicted of stock fraud, surfaced [illegible] press conference sponsored by [illegible]ans for Ethical Government.

The group, chaired by Scott Norton, exhibited former company investor Percy Kalt and Unique Battery President John Darger at its press conference last Wednesday.

They all said while they had no evidence of criminal wrongdoing by Snow, the Republican had lied about the extent of his involvement with the companies and Strand.

Kalt said Snow told him he was a company officer. Darger said Strand arranged for Snow to be an officer and he witnessed numerous dealings between Strand and Snow and often watched Snow working in an adjacent office.

Snow denies these allegations.

A probe by four Republican attorneys, who said they conducted an independent probe of Snow and John Harmer, found no evidence to the contrary although they said Harmer's past was full of ques[illegible] times Snow was cleared of any wrongdoing.

He said in law there was a factor called double jeopardy where a person could not be tried for the same infraction twice. But he said in the case of Snow there was not only double jeopardy but "triple and quadruple jeopardy."

To bring up the seemingly undying controversy yet another time, would "play into the hands of Orton and Democrats by dragging this out longer when it is a non issue," he said. "The only issue between now and next Tuesday should be that Orton and the Democratic leadership have some explaining to do and must apologize to the people of the 3rd District for their use of Chicago-style sleazy politics which has lowered Utah politics to a new low," said Snelgrove.

Snelgrove charged that journalists are being manipulated by Orton.

He particularly cited The Daily Herald. "It is particularly amazing that the Provo Herald has had a ridiculous story on this ridiculous matter for 14 days straight," said Snelgrove.

"I call on responsible journalists to put an end to this slimy political nonsense," he added.

Snelgrove cited the following as evidence of Orton's involvement:

- First, Orton and the Democratic leadership have admitted in their polls that if they can paint Karl Snow as a penny stock cheater who is in cahoots with a convicted felon that it will improve their chances of winning the election.
- "Second, it should not be surprising that Orton's signature is on the checkout form of the court file of Unique Battery in the court clerks office, clear back during the primary campaign. It is interesting to note this when these baseless allegations were made."
- "Third, Mr. Ken Murdock says he has personally paid for the absurd insert in The Daily Herald [illegible] last week and Bill Orton has

Neighbors helping neighbors:

Center helps victims of domestic violence

By CHRISTI C. EVANS
Herald Staff Writer

Victims of domestic violence can find their health or even their lives in danger and require immediate legal aid to protect themselves.

In response to the need to obtain protective orders separating victims from their abusers, Utah County's Legal Center for Victims of Domestic Violence was formed four years ago, said Susan Griffith, center director.

The United Way-supported center in Provo provides trained legal staff for victims of domestic abuse seeking legal protection. The center processes about 13 victims of abuse per month; 99 percent of them are women.

"We can represent men if they fit our requirements, but it is a woman's issue," Griffith said.

Victims must have lived with their abuser, whether it is a spousal or boyfriend-girlfriend relationship or even a grandparent or in-law.

The center can be reached by calling 375-1031.

Wading through legal paperwork alone to obtain a protective order can be time consuming, especially if a victim does not have an adequate educational background. Timing can be important in avoiding more abuse in a crisis situation, she said.

"We have done everything we could to make it as fast a process as possible," Griffith said.

A victim might also have problems determining what information is best to include with the paperwork for a judge.

At the center, victims can have paperwork drawn up by a paralegal on their first visit. The papers are delivered to a judge who can victim for 20 days.

A period of separation from the abuser, most often a husband or boyfriend, can aid the victim in deciding if she wants to pursue the actual protective order. Through this order, the abuser is required to stay away for up to 120 days.

"That gives the couple time to decide whether to try to fix the problem or get a divorce" instead of trying to make the decision in the middle of the crisis, Griffith said.

Before the center was organized, victims had to face their abusers alone in court while trying to obtain a protective order. Many women dismissed the case rather than going through that situation, Griffith said.

However, the center provides legal representation for women in court. "This way, when they are represented, the pressure is not on them," she said. "We still have some that are dismissed. . .but the figures have really reversed themselves."

The service is often without charge, although clients may be required to pay court filing fees. Funding comes through the Victims of Crime Act administered through the state and through United Way.

A similar service used to obtain protective orders through juvenile court for victims of child abuse is totally funded by United Way money, Griffith said. The process for the same on the spouse abuse program, that is used to protect children from their abusers, is d[illegible]. In the midst of "abuse," women and children may become displaced. The center networks with other United Way agencies including the Center for Women and



Herald Photo/Tamara Sneddon

Susan Griffith is director for Utah County's Legal Center for Victims of Domestic Violence.

basic needs as well as their legal needs.

"What we try to do is help the woman make an educated decision on what they're going to do next," Griffith said. Many women [illegible] the center come in with low self esteem and don't believe they can take care of themselves.

"They're not (weak) — they're fighters," Griffith said.

The time following abuse can be terrible, she said. "Without legal protection and someone saying, we can take care of this, she would be floating out in the system," Griffith said.

"Neighbors helping neighbors" is a feature appearing on the local pages of The Daily Herald every other Tuesday. It highlights local agencies that receive funding through United Way donations.

N000119

GOP primary.

Another probe by a certified public accountant hired by Snow also found no wrongdoing by Snow.

Snelgrove also commissioned an earlier probe into Harmer and Snow and found no wrongdoing by Snow.

At his own press conference, Snow said his involvement with Strand had come at the bequest of a former bishop to help right an unjust federal conviction against Strand.

Snow said his involvement in the companies was soley as an investor, not as an officer.

Snow hinted that Orton was behind Utahns for Ethical Government and later Snow asked Snelgrove to look into his past business dealings once again.

But Snelgrove said on Monday he would not review the candidate's past.

He said they had been already reviewed three times and three

Then why did Orton spend much of Thu[illegible] morning at Murdock's brother's home?"

• "Fourth, Karl Snow's name never came up during the trial for Percy Kalt's fire bombing. Strange how these allegations come up just two weeks prior to the election.

• "Fifth, one of those accusing Mr. Snow is John Darger. I am advised that John Darger's brother shares office space with Bill Orton. He is also the same man who told the independent attorneys committee that 'Karl Snow did nothing wrong.'"

Orton has continued to deny any involvement with Utahns for Ethical Government. He said he has tried to stay away from bringing up Snow's past involvements with Snow or Unique Battery/Global Oil.

An attempt was made to contact Orton on Monday, but staffers said he was busy and would call the Herald back. This morning, Orton staffers again said the candidate was too busy to talk to a reporter.

Group urges Snow retract statements

SALT LAKE CITY (AP) — Republican congressional hopeful Karl Snow has been urged to retract statements he made about members of the group Utahns for Ethical Government, and avoid possible legal action.

Meantime, Snow said the demand is "just another smear tactic to divert us from dealing with the real issues."

In a letter to Snow on Monday, the attorney for group spokesman Scott Norton demanded a retraction following Snow's description of group members as "convicted felons, known criminals, polygamists, and other corrupt lawbreakers."

Norton is demanding that Snow publicly withdraw his statements made last week, or forward a retraction to local media for publication, the letter said.

"A citizen's group should not be labelled and penalized wrongly for the expression of their concerns for ethical leadership," wrote attorney Sheldon Carter.

Carter also wrote that Norton "has expressed a desire to resolve this problem without litigation."

However, while Snow said he directed the comments at some members of the group, they were not intended for Norton.

"I'm not going to apologize to the group as a whole. These are hardly credible witnesses to be throwing stones at Mr. Snow," he said.

Snow, who had not seen the letter, said he would review the matter with campaign officials before making a determination.

Utahns for Ethical Government has questioned Snow's past association with convicted penny stock manipulator Michael Strand and Unique Battery and Global Oil companies.

The organization also has questioned the validity of two independent investigations that Snow claims cleared him of all wrongdoing, as well as his claim that he has no campaign debts, a statement released Monday said.

Stolen auto search continues

Orem police are continuing to search for a 1987 silver Nissan Sentra that was stolen sometime late Monday night or early this morning.

The vehicle was taken from the 900 S. 800 W. area. According to reports, the vehicle was unlocked, the keys were left inside as was the victim's purse.

Police beat

BURGLARY — Someone removed more than $500 worth of

removed sometime during the weekend.

AUTO BURGLARY — The passenger-side window was smashed out to gain access to a car parked in a business at 1050 N. State St., Orem, during the weekend.

N000120

Voters to decide

By JOSEPHINE ZIMMERMAN
Herald Staff Writer

One of the issues on the November ballot in the Nebo School District will be a 2-mill voted leeway for education.

During the 1990 legislative session, a bill was passed allowing local school districts to levy a 2-mill tax for class size reduction.

The Nebo Board of Education decided it would allow this decision to be made by the voters, rather than arbitrarily imposing the tax increase.

This increase would generate about $424,000 for the district from local taxes, and it would be matched by an additional $423,000 of previously appropriated state funds. This would give the district $847,000 to be used to redi sizes.

Board members have sized that if the leeway i the state will match t funds almost dollar for d if it fails, the state's cor will be zero.

Board representatives that it is because of assessed valuation that will be providing a matching fudns. Not all in the state will receive financial help.

It is estimated the tax would add about $28 pe the taxes for the own $70,000 home.

Because the Nebo Sc trict does not have a s

Springville will decid

By JOSEPHINE ZIMMERMAN
Herald Staff Writer

SPRINGVILLE — Springville voters will be deciding Nov. 6 if they want to become part of the Utah Transit Authority and have hourly bus service.

John C. Pingree, UTA general manager, said input received at three public hearings has resulted in the design of a prospective bus system that can offer hourly bus service between Springville and points north between 7 a.m. and 5 p.m.

In Springville, the bus would serve 400 East, 900 S South, Main Street, th ville Industrial Park and between.

The route would co Provo and Orem, se East Bay Industrial Pa town Provo, Brigham Y versity, the University Utah Valley Communit One round trip express also be offered betwe ville and Salt Lake City would arrive in Salt before 8 a.m. and w before 5 p.m.

Several Utah County

By JOSEPHINE ZIMMERMAN
Herald Staff Writer

Several candidates in Utah County will be running unopposed in the November election.

• Ronald M. Smith, Utah County Assessor, is seeking his third term in that office, having first been elected in 1982. A native of Provo, Smith is a member of the Utah chapter, International Association of Assessing Officers.

• J. Bruce Peacock i for Utah County Cler Peacock was elected by County Republican Pa tral committee for t after Elwood Sundberg auditor before his term

• David R. Batem County Sheriff, was ap that office after She Holley retired. He h since that time and is

County votes to delay

By JOSEPHINE ZIMMERMAN
Herald Staff Writer

Utah County commissioners voted Monday to delay for 30 days a public hearing on an order to abate a nuisance which had been served on the Lehi Cattlemen's Association.

Commissioners served the notice after complaints from citizens that

west side of Utah Lake.

Cattlemen said they h the gate across the road vandalism and injury to tle and sheds.

The public hearing w until Nov. 28 to give the time to meet with the U Planning Commission.

A second public hear platting of a portion of t

Also in this section:
- ☐ Obituaries B2
- ☐ Opinions B4
- ☐ Sports B5-B8

Local

GOP leader blasts treatment of Snow

By PATRICK CHRISTIAN
Herald Staff Writer

In his press conference Monday afternoon, Utah's top Republican leader decried the way the GOP's 3rd District Candidate Karl Snow has been treated, and blamed Snow's Democratic opponent Bill Orton for conducting a dirty campaign.

Utah Republican Party Chairman Richard Snelgrove said Utah politics has deteriorated.

He also said two separate organizations called Republicans for Orton, have no prominent Republican Party stalwarts among their ranks.

Salt Lake County GOP Chairman Peter Van Alstyne said Republicans who joined those splinter groups have indicated that they joined the groups based soley on judgments made on the rumors circulating about Snow.

Reports of Snow being a showcase investor during 1984 in Unique Battery/Global Oil and being involved with Michael Strand, once convicted of stock fraud, surfaced at a press conference sponsored by Utahns for Ethical Government.

The group, chaired by Scott Norton, exhibited former company investor Percy Kalt and Unique Battery President John Darger at its press conference last Wednesday.

They all said while they had no evidence of criminal wrongdoing by Snow, the Republican had lied about the extent of his involvement with the companies and Strand.

Kalt said Snow told him he was a company officer. Darger said Strand arranged for Snow to be an officer and he witnessed numerous dealings between Strand and Snow and often watched Snow working in an adjacent office.

Snow denies these allegations.

A probe by four Republican attorneys, who said they conducted an independent probe of Snow and John Harmer, found no evidence to the contrary although they said Harmer's past was full of questions. Harmer was a Republican candidate who lost to Snow in the GOP primary.

Another probe by a certified public accountant hired by Snow also found no wrongdoing by Snow.

Snelgrove also commissioned an earlier probe into Harmer and Snow and found no wrongdoing by Snow.

At his own press conference, Snow said his involvement with Strand had come at the bequest of a former bishop to help right an unjust federal conviction against Strand.

Snow said his involvement in the companies was soley as an investor, not as an officer.

Snow hinted that Orton was behind Utahns for Ethical Government and later Snow asked Snelgrove to look into his past business dealings once again.

But Snelgrove said on Monday he would not review the candidate's past.

He said they had been already reviewed three times and three times Snow was cleared of any wrongdoing.

He said in law there was a factor called double jeopardy where a person could not be tried for the same infraction twice. But he said in the case of Snow there was not only double jeopardy but "triple and quadruple jeopardy."

To bring up the seemingly undying controversy yet another time, would "play into the hands of Orton and Democrats by dragging this out longer when it is a non issue," he said. "The only issue between now and next Tuesday should be that Orton and the Democratic leadership have some explaining to do and must apologize to the people of the 3rd District for their use of Chicago-style sleazy politics which has lowered Utah politics to a new low," said Snelgrove.

Snelgrove charged that journalists are being manipulated by Orton.

He particularly cited The Daily Herald. "It is particularly amazing that the Provo Herald has had a ridiculous story on this ridiculous matter for 14 days straight," said Snelgrove.

"I call on responsible journalists to put an end to this slimy political nonsense," he added.

Snelgrove cited the following as evidence of Orton's involvement:

- First, Orton and the Democratic leadership have admitted in their polls that if they can paint Karl Snow as a penny stock cheater who is in cahoots with a convicted felon that it will improve their chances of winning the election.
- "Second, it should not be surprising that Orton's signature is on the checkout form of the court file of Unique Battery in the court clerks office, clear back during the primary campaign. It is interesting to note this when these baseless allegations were made."
- "Third, Mr. Ken Murdock says he has personally paid for the absurd insert in The Daily Herald late last week and Bill Orton has said he had nothing to do with it. Then why did Orton spend much of Thursday morning at Murdock's brother's home?"
- "Fourth, Karl Snow's name never came up during the trial for Percy Kalt's fire bombing. Strange how these allegations come up just two weeks prior to the election.
- "Fifth, one of those accusing Mr. Snow is John Darger. I am advised that John Darger's brother shares office space with Bill Orton. He is also the same man who told the independent attorneys committee that 'Karl Snow did nothing wrong.'"

Orton has continued to deny any involvement with Utahns for Ethical Government. He said he has tried to stay away from bringing up Snow's past involvements with Snow or Unique Battery/Global Oil.

An attempt was made to contact Orton on Monday, but staffers said he was busy and would call the Herald back. This morning, Orton staffers again said the candidate was too busy to talk to a reporter.

Neighbors helping neighbo

Center helps victims of domestic violence

By CHRISTI C. EVANS
Herald Staff Writer

Victims of domestic violence can find their health or even their lives in danger and require immediate legal aid to protect themselves.

In response to the need to obtain protective orders separating victims from their abusers, Utah County's Legal Center for Victims of Domestic Violence was formed four years ago, said Susan Griffith, center director.

The United Way-supported center in Provo provides trained legal staff for victims of domestic abuse seeking legal protection. The center processes about 13 victims of abuse per month; 99 percent of them are women.

"We can represent men if they fit our requirements, but it is a woman's issue," Griffith said.

Victims must have lived with their abuser, whether it is a spousal or boyfriend-girlfriend relationship or even a grandparent or in-law.

The center can be reached by calling 375-1631.

Wading through legal paperwork alone to obtain a protective order can be time consuming, especially if a victim does not have an adequate educational background. Timing can be important in avoiding more abuse in a crisis situation, she said.

"We have done everything we could to make it as fast a process as possible," Griffith said.

A victim might also have problems determining what information is best to include with the paperwork for a judge.

At the center, victims can have paperwork drawn up by a paralegal on their first visit. The papers are delivered to a judge who can order immediate protection of the victim for 20 days.

A period of separation from the abuser, most often a husband or boyfriend, can aid the victim in deciding if she wants to pursue the actual protective order. Through this order, the abuser is required to stay away for up to 120 days.

"That gives the couple time to decide whether to try to fix the problem or get a divorce" instead of trying to make the decision in the middle of the crisis, Griffith said.

Before the center was organized, victims had to face their abusers alone in court while trying to obtain a protective order. Many women dismissed the case rather than going through that situation, Griffith said.

However, the center provides legal representation for women in court. "This way, when they are represented, the pressure is not on them," she said. "We still have some that are dismissed ... but the figures have really reversed themselves."

The service is often without charge, although clients may be required to pay court filing fees. Funding comes through the Victims of Crime Act administered through the state and through United Way.

A similar service used to obtain protective orders through juvenile court for victims of child abuse is totally funded by United Way money, Griffith said. The process is the same as the spouse abuse program, but is used to protect children from their abusers.

In the midst of abuse, women and children may become displaced. The center networks with other United Way agencies including the Center for Women and Children in Crisis to meet their basic needs as well as their legal needs.

"What we try to do is help the woman make an educated decision on what they're going to do next," Griffith said. Many women using the center come in with low self esteem and don't believe they can ta... "Th... fighter... The... be ter... legal p... ing, w... would... tem."



Susan Griffith is director for Utah... for Victims of Domestic Violence.

"Neighbors helping neighbors" is a featu... pages of The Daily Herald every other T... agencies that receive funding through Unit...

Voters to decide 2-mill education

By JOSEPHINE ZIMMERMAN
Herald Staff Writer

One of the issues on the November ballot in the Nebo School District will be a 2-mill voted leeway for education.

During the 1990 legislative session, a bill was passed allowing local school districts to levy a 2-mill tax for class size reduction.

The Nebo Board of Education decided it would allow this decision to be made by the voters, rather than arbitrarily imposing the tax increase.

This increase would generate about $424,000 for the district from local taxes, and it would be matched by an additional $423,000 of previously appropriated state funds. This would give the district $847,000 to be used to reduce class sizes.

Board members have emphasized that if the leeway is passed, the state will match the local funds almost dollar for dollar, but if it fails, the state's contribution will be zero.

Board representatives point out that it is because of the low assessed valuation that the state will be providing additional matching fudns. Not all districts in the state will receive additional financial help.

It is estimated the tax increase would add about $28 per year to the taxes for the owner of a $70,000 home.

Because the Nebo School District does not have a strong tax base, the district's assessed property value per student is one of the lowest in the state.

A 1.0 mill tax levy based on the assessed property value generates only $14 in Nebo District, as compared with $19 in Provo District, and $49 in Salt Lake, the board reports.

The school board emphasizes that at the present time more than 50 percent of the classes in Nebo School District's grades kindergarten through 12th have more than 30 students per class.

They believe that through the voted leeway, they will be able to reduce class sizes in kindergarten through 5th grades to 26 students. In the 6th and 7th grades it may be possible to reduce the average class... fundin... In t... efforts... studen... 12, it ... The... prepar... greate... class... young... vidual... is pos... The... benefi... 1. B... 2. ... ment... 3. E... 4. M... 5. E...

Inside Today:

Quayle may find himself trying to patch up splintering local GOP
Page B1

Sports
Cougars to face AFA wishbone
Page C1

Lifestyle
Welfare mother barely survives
Page C7

World
KGB overlooks rock monument
Page D1

The Daily Herald

Wednesday, October 31, 1990 — Central Utah's Newspaper for 116 Years — Issue No. 92, Provo, Utah — 50 Cents

State panel says Orton evaded tax on new car

From HERALD STAFF
And Wire Reports

SALT LAKE CITY — The Utah State Tax Commission has ruled that Democratic congressional candidate Bill Orton fraudulently attempted to evade paying taxes on a he bought in Oregon and ght to Utah.

ax commission spokesman Janice Perry said records show Orton has paid the $1,200 in taxes but continues to owe $1,349.78 in penalties and interest.

Orton has said he is appealing the case. However, Perry said the commission has denied his request for a waiver and that there is no record of a court appeal.

Orton told The Daily Herald this morning that the releasing of more details of his dispute with the State Tax Commission is politically motivated. He said the details have been known for six years and now less than two weeks before the election more detailed information is released.

"It smells like Richard Nixon dirty tricks," he said.

Orton and Republican Karl Snow are locked in a bitter campaign to replace retiring five-term Rep. Howard Nielson, R-Utah.



Bush has 'had it' with hostages' treatment in Iraq

ALEXANDRIA, Va. (AP) — President Bush declared today "I have had it" with Iraq's treatment of U.S. diplomats and hostages in Kuwait, but said he has no timetable for deciding on a possible military strike.

Later, when asked if the nation was moving closer to war, he said, "I don't think so" and that he still has hopes for a peaceful solution.

But, Bush said, "You don't use pretext when you have force deployed. You just do what's right."

The president, under pressure from Congress to allow more time for economic sanctions against Iraq to work, said the United Nations-led embargo has not been as effective as he had hoped.

The president escalated the administration's anti-Iraq rhetoric but said the harsh comments of the past few days from senior officials should not be interpreted as a sign he had decided force was the only way to resolve the gulf crisis.

Today, he seemed eager to elaborate on his feelings. He took questions from reporters as he arrived for a campaign stop in suburban Virginia for Republican Rep. Stan Parris, and again as his helicopter landed back on the White House grounds.



President Bush

"The embassy is being starved," Bush said of the U.S. embassy in Kuwait where a handful of staff members are confined during the Iraqi occupation. "The people out there are not being resupplied. The American flag is flying over the Kuwait embassy and our people inside are being starved by a bru

(See BUSH, Page A2)

N0001C2

Wednesday, October 31, 1990 Central Utah's Newspaper fo Years — Issue No. 92, Provo, Utah

State panel says Orton evaded tax on new car

From HERALD STAFF
And Wire Reports

SALT LAKE CITY — The Utah State Tax Commission has ruled that Democratic congressional candidate Bill Orton fraudulently attempted to evade paying taxes on a car he bought in Oregon and brought to Utah.

Tax commission spokesman Janice Perry said records show Orton has paid the $1,200 in taxes but continues to owe $1,349.78 in penalties and interest.

Orton has said he is appealing the case. However, Perry said the commission has denied his request for a waiver and that there is no record of a court appeal.

Orton told The Daily Herald this morning that the releasing of more details of his dispute with the State Tax Commission is politically motivated. He said the details have been known for six years and now less than two weeks before the election more detailed information is released.

"It smells like Richard Nixon dirty tricks," he said.

Orton and Republican Karl Snow are locked in a bitter campaign to replace retiring five-term Rep. Howard Nielson, R-Utah.

Orton complained that the tax documents released by the commission were confidential. Perry said they are not.

Orton's tax troubles stem from his purchase of a 1981 Mercedes Benz in Oregon.

Orton said he has fought for six years against Tax Commission allegations that he fraudulently attempted to evade paying Utah taxes.

He said he bought the car in 1982 for use primarily in Oregon at a home he occupied there. At the same time, he had another car registered in Utah for use primarily at the home where he also lived in Utah.

Orton claimed to maintain residences at the time in Provo, Portland, Ore., Hawaii, Atlanta, Ga., and Washington, D.C.

He said as of 1987, he only maintained a residence in Utah.

Orton said he had a Corvette and a Jeep registered in Utah.

(See ORTON, Page A2)



Herald Photo : Andrew Holloway

Halloween pumpkins

Tammy, a Siamese kitten belonging to Cindy Lee of Provo, gets into the Halloween spirit. Trick-or-treaters will be out in force tonight as they also get into the spirit.

Bush h with h treatm

ALEXANDRIA, Va. (A President Bush declared to have had it" with Iraq's tre of U.S. diplomats and host Kuwait, but said he has no ble for deciding on a possib tary strike.

Later, when asked if the was moving closer to war, h "I don't think so" and that has hopes for a peaceful solu

But, Bush said, "You do pretext when you have fo ployed. You just do what's r

The president, under p from Congress to allow mo for economic sanctions a Iraq to work, said the Unit tions-led embargo has not b effective as he had hoped.

The president escalated t ministration's anti-Iraq ri but said the harsh comment past few days from senior o should not be interpreted as he had decided force was th way to resolve the gulf crisis

Today, he seemed eager to rate on his feelings. He too tions from reporters as he for a campaign stop in su Virginia for Republican Rep Parris, and again as his he

Iraq war would a

By The Associated Pre

As President Bush said running out of patience wi dam Hussein's harsh treat American hostages, ther more war talk today in b rope and the Middle East.

At the same time, Iraqi sador Mohamed Al-Mashat Washington today that an at Iraq would earn the United the animosity of Moslems wide. He suggested it was t negotiation — if other Midd ern conflicts were also cons

President Hosni Muba Egypt said the Persian Gu had become so dangerous i

DEA probes whether own agent carried bomb on jet

WASHINGTON (AP) — The Drug Enforcement Administration says it is investigating whether one of its undercover couriers may have unknowingly carried the bomb that blew up Pan Am Flight 103 over Scotland.

The December 1988 bombing, which killed 270 people aboard the plane and in the village of Lockerbie, has been attributed by law enforcement authorities to a pro-Iranian terrorist group that was shipped from Frankfurt, Germany.

NBC News, which first reported the new DEA investigation Tuesday night, said it had learned that Pan Am's flights from Frankfurt had been used in a Cyprus-based undercover operation to fly informants and suitcases of heroin from the Middle East to Detroit.

Nazir Khalid Jafaar, 20, of Detroit, was killed in the bombing. The network said part of

Council sets hearing on redevel

By CHRISTI C. EVANS
Herald Staff Writer

Provo Municipal Council members identified property west of East Bay as a redevelopment project area Tuesday and authorized a public hearing on the matter to be held Dec. 18.

The area bordered by University Avenue, Interstate 15 and property lines at about 100 South is the same area the council recently named a redevelopment survey area.

Following studies of the area, the council determined the survey area was an appropriate area for a Provo City Redevelopment Project Area Number Four. If the redevelopment area is established following the December public hearing, it would be the fourth redevelopment area in Provo city.

Notices of the public hearing will be distributed to taxing entities involved in the area and property owners, said Ron Madsen, redevelopment director. The hearing will be held by the council and the city Redevelopment Agency, which is made up of council members.

Those objecting to the formation of a redevelopment area may submit written complaints to the Pro-

If property owners repr over 40 percent of the acr the area object to the form a redevelopment area, th will not be established.

The Provo Planning Com must also recommend ado the final redevelopment pla the area can be established

According to the prel plan of the area adopted the redevelopment agency bring about a planned com and light industrial develop the area. This use is c with the area's master plan

N0001123

Bush gave a pessimistic assessment of the effects of the economic sanctions, to date the major weapon of the U.S.-led coalition demanding that Saddam Hussein pull his troops from Kuwait.

"I wouldn't say they haven't been successful at all but they certainly haven't driven demand to do what he should have done, which was to get out of Kuwait and reverse this aggression," Bush said.

A president must keep the safety of Americans "foremost in his mind," Bush said. Referring to the treatment of the Kuwait embassy staff, he said: "It has been brutal. It has been oppressive."

Nervous lawmakers have urged Bush to be patient and let the international trade embargo against Iraq run its course before using force.

Air Pollution

The following information is taken from the Wasatch Front air pollution report compiled by the Utah Bureau of Air Quality. The complete report is available by telephone at 373-9560.

Conditions as of 8 a.m. were as follow:

Residential Areas

UTAH COUNTY.....good
Salt Lake.....good
Weber.....good

Downtown Areas

PROVO.....good
Salt Lake.....good
Ogden.....good

Overall Air Clarity

The air quality for today was good in all areas along the Wasatch Front.

Outlook

Forecast called for little change in pollution levels with a clearing index of 1000+.

24-Hour (Index) Highs

North Provo.....oz.....na
North Provo.....co.....33
Lindon.....pa.....20
Provo.....co.....56

The (Index) Scale

0-50 good air; 51-100 moderate; 101-199 unhealthful; 200-299 very unhealthful; 300 and above hazardous.

Abbreviations

co = carbon monoxide
oz = ozone
so = sulfur dioxide
pa = particulates

Note

The Utah County residential area reading is taken from the Lindon monitoring station.

The State of Utah has identified the following as primary sources of pollutants in Utah County: co = vehicles; oz = vehicles and gas vapors; and pa = heavy industry.

The Daily Herald
(U.S.S.N. #891-2777)
Second Class Postage Paid

report that convinced him the Central Intelligence Agency had been tipped an attack might be made on the plane.

The report, he asserted, contended that the CIA was "covering up a drug run" between Frankfurt and New York — something the CIA immediately characterized as "ridiculous."

Pan Am subpoenaed documents from the DEA and five other agencies in an effort to prove that security agencies had received warnings about the bombings.

The United States has more than 210,000 troops in the gulf region and recently announced plans to send 100,000 more. About 100,000 soldiers have been deployed by other nations. The multinational force faces about 460,000 Iraqi troops stationed in southern Iraq and Kuwait.

The Iraqi ambassador, al-Mashat, said any attack on Iraq would earn Americans the animosity of all Iraqis and Moslems throughout the world who, he said, view the use of force in the gulf region as a

ELECTIO

(Continued from Page
a member of Rotary Inter
He says the most si
short-term problem fa
county is that elected offic
violated the trust that the
Utah County have placed i
He said the checks and
have evaporated after de
one-party rule in count
ment.

Most significant long-te
lems facing the county, h
returning county governm
proper role of protecting t
ests and well-being of all
zens and getting out of the
of speculation, special fa
reckless spending — the
actions that have left ou
dangerously in debt.

He has challenged Comm
Beck's vote (1987 hearin
the County Board of Equa
to grant the IHC hospit
exempt status, when he s
the board of directors of
them. Prior to the hearin
Assessor Ronald Smith ask
and Commissioner Brent M
excuse themselves because
service on hospital boards.
did, but Beck refused.

Some key county issues h
include the Central Utah
and ensuring Utah County
ceive the water rights th
been paid for since 1965; a
tion/economic developm
work with the Utah Count
Air Commission; zoning;
ing Utah Lake.

He has served as a cou
gate to the Republican Pa
vention and later as state
to the organizing conventic
Utah Independent Party.

He received his bachel
gree in social work from
State University, where
studied journalism and fam
tions.

ORTON:

(Continued from Page A1)
However, Orton drove the Mercedes to Utah in 1984, when it was spotted by a Utah Tax Commission employee bearing personalized "TAXLAW" Oregon license plates.

"We ask our employees to watch out for such things," Perry said.

An investigator photographed the car in a downtown parking stall and Orton was summoned to appear before the commission on April 20, 1987.

The commission wanted Orton to pay 6 percent Utah sales tax on the car. Oregon does not have sales tax.

Orton claimed that just driving a car around town should not be sufficient to require him to pay taxes on it, particularly two years after the purchase. Orton had listed his Provo address on the car's title.

A hearing officer ruled against him and he paid the principal amount of $1,500 but appealed. On March 7, 1989, the tax commission reviewed the case and found, "The titling and registering of the vehicle in the State of Oregon by (Orton) is an attempt to evade Utah taxes by fraudulent means."

Orton claims he is continuing his appeal, however Perry said the tax commission had no record of it. Orton can take the case to the Utah Supreme Court for a judicial review, but Perry said the tax commission has not been notified of a court hearing.

Meantime, Snow was the topic of a news conference by Nielson, who reiterated his endorsement of Snow as his replacement, but criticized both candidates for running "the dirtiest campaigns in memory."

Nielson said Snow probably would agree that Snow showed "poor judgment" in involving himself with convicted stock swindler Michael Strand in a failed merger of two companies in the 1980s.

Allegations of his involvement in the merger of Global Oil and Unique Battery have plagued Snow, who maintains he did nothing wrong.

Several investors claim they relied on Snow as a bellwether in the merger. Many lost money in the deal and have filed lawsuits. Snow is not named in any of those court actions.

No criminal charges were filed.

"I just want to reaffirm my solid support for Karl Snow," Nielson said, adding that he believes much of the controversy could have been avoided if Snow had "thoroughly aired" the matter before the Sept. 11 primary.

"He'll be dogged by this as long as he's in public life," Nielson said.

FIRST TIME EVER!!
EYEGLASSES & SOFT CONTACTS
INCLUDING EYE EXAM!!
EYEGLASSES
• Special Sensitive
• Single Vision Plastic Lenses Included
• Eye Exam Included
$69.99
FOR BOTH!! COMPLETE!
(Limit 1 pair ea.)
CONTACTS
• OSI Daily wear
• Eye exam includ
• New patients
CONTACTS
EYEGLASSES
N000124

"The man who does not learn is dark, like one walking in the night."

— Chinese proverb

Opinions

Quayle in the middle

Herald comment

Some say the visit of Vice President Dan Quayle to Utah County Thursday is a great honor. Others say it is just a political move to boost the campaign of 3rd Congressional District candidate Karl Snow.

Both views are probably correct.

The visit of Mr. Quayle is a rare opportunity for local citizens to see in person the man who stands a heartbeat from the presidency. This vice president is a personable and charming man who does not deserve the almost endless round of jokes at his expense. He is, no doubt, grateful Saddam Hussein has replaced him as the number one target of comedians on television talk shows.

We trust the welcome for Mr. Quayle will be warm and cordial.

As for those saying the visit is purely political, it doesn't take a PhD in political science to figure that out. But, so what? Politicians do political things. That's their job. Let's enjoy the moment.

Does the vice president's visit mean Karl Snow's camp is worried about a race that was, at first, considered no contest? Only the Snow camp could say for sure.

Most newspapers — this one included — don't devote much space to self-praise. With our readers' indulgence, we would like to pat oursevles on the back this once.

The Daily Herald has been praised and pilloried by people from both the Snow and the Orton camps. We take that as a compliment. We have attempted to report what the newsmakers are doing and saying — which is what a newspaper is supposed to do — without taking sides. Politicians and their supporters, being human, like it when the news is good and don't like it when the news is bad. Some days are diamonds, some days are stones.

An amusing aspect of the Snow-Orton race has been criticism from some politicians because The Herald has covered virtually every debate and press conference held in the long campaign. There have been too many stories, some say.

Since The Herald is Utah County's daily newspaper, and the Salt Lake media, understandably, are devoting more time and space to the Owens-Atwood congressional race, it should not be surprising this newspaper would have many stories about Snow and Orton. Anything less would be a dereliction of duty.

The 3rd Congressional District campaign has not been the cakewalk that would normally be expected in one of the most Republican areas of one of the most Republican states. The Herald's only purpose in all this has been to provide a forum for the players so that, from somewhere within the clamor, each reader can find a personal measure of truth.

Welcome to the middle of a most interesting race, Mr. Quayle.



Letters

Where are debates?

Editor:

Where are the debates Mr. Snow? On 21 August you promised to debate Mr. Orton, but we have seen prepared statements and one minute responses, but nothing in-depth. That indicates to me a lack of integrity and apparently a lack of knowledge of the issues. Why not address the issues in real debates

No confidence

Editor:

I find it hard to relate "Republicans for Orton" to abandoning the Republican Party, which we have been accused of doing. If our organization were abandoning the Republican platform, all we would have to do is quietly slide over to the opposing party and

Socialism won't 'save the children'



Will Grigg

ABROAD

During the course of our confrontation with Saddam Hussein, a new catch-phrase has insinuated itself into the political vernacular: "New World Order." From the travail in the Arabian desert supposedly will emerge a new international order that will abolish aggression and injustice. An important component of that "new order" was unveiled during the World Summit for Children held at the United Nations last month.

The summit, which took place on September 29-30, produced a World Declaration on Children's Rights. The declaration

The convention makes of children a constituency capable of asserting claims

were held in American cities; candles were lit, balloons were surrendered into the night sky; hands were held and pieties about justice were uttered. The multitudes were marinated in the sweet syrup of sentimentality about "saving the children."

For those who missed this progressive Pentecost, the vigil was dutifully repeated as a "human interest" segment on newscasts, and print journalism took up the save the children theme.

Once the masses have succumbed to the "something must be done" spirit, they are ready to sustain the "solutions" submitted

N000125

The Daily Herald

Opinions

"The man who does not learn is dark, like one walking in the night."

— Chinese proverb

Quayle in the middle

Herald comment

Some say the visit of Vice President Dan Quayle to Utah County Thursday is a great honor. Others say it is just a political move to boost the campaign of 3rd Congressional District candidate Karl Snow.

Both views are probably correct.

The visit of Mr. Quayle is a rare opportunity for local citizens to see in person the man who stands a heartbeat from the presidency. This vice president is a personable and charming man who does not deserve the almost endless round of jokes at his expense. He is, no doubt, grateful Saddam Hussein has replaced him as the number one target of comedians on television talk shows.

We trust the welcome for Mr. Quayle will be warm and cordial.

As for those saying the visit is purely political, it doesn't take a PhD in political science to figure that out. But, so what? Politicians do political things. That's their job. Let's enjoy the moment.

Does the vice president's visit mean Karl Snow's camp is worried about a race that was, at first, considered no contest? Only the Snow camp could say for sure.

Most newspapers — this one included — don't devote much space to self-praise. With our readers' indulgence, we would like to pat oursevles on the back this once.

The Daily Herald has been praised and pilloried by people from both the Snow and the Orton camps. We take that as a compliment. We have attempted to report what the newsmakers are doing and saying — which is what a newspaper is supposed to do — without taking sides. Politicians and their supporters, being human, like it when the news is good and don't like it when the news is bad. Some days are diamonds, some days are stones.

An amusing aspect of the Snow-Orton race has been criticism from some politicians because The Herald has covered virtually every debate and press conference held in the long campaign. There have been too many stories, some say.

Since The Herald is Utah County's daily newspaper, and the Salt Lake media, understandably, are devoting more time and space to the Owens-Atwood congressional race, it should not be surprising this newspaper would have many stories about Snow and Orton. Anything less would be a dereliction of duty.

The 3rd Congressional District campaign has not been the cakewalk that would normally be expected in one of the most Republican areas of one of the most Republican states. The Herald's only purpose in all this has been to provide a forum for the players so that, from somewhere within the clamor, each reader can find a personal measure of truth.

Welcome to the middle of a most interesting race, Mr. Quayle.



Letters

Where are debates?

Editor:

Where are the debates Mr. Snow? On 21 August you promised to debate Mr. Orton, but we have seen prepared statements and one minute responses, but nothing in-depth. That indicates to me a lack of integrity and apparently a lack of knowledge of the issues.

No confidence

Editor:

I find it hard to relate "Republicans for Orton" to abandoning the Republican Party, which we have been accused of doing. If our organization were abandoning the Republican platform, all we would have to do is quietly slide over to the opposing party and

Socialism wo

During the course of our confrontation with Saddam Hussein, a new catch-phrase has insinuated itself into the political vernacular: "New World Order." From the travail in the Arabian desert supposedly will emerge a new international order that will abolish aggression and injustice. An important component of that "new order" was unveiled during the World Summit for Children held at the United Nations last month.

The summit, which took place on September 29-30, produced a World Declaration on Children's Rights. The declaration

The constit

and published by people from both the Snow and the Orton camps. We take that as a compliment. We have attempted to report what the newsmakers are doing and saying — which is what a newspa- ... each reader ... a personal measure of truth.

Welcome to the middle of a most interesting race, Mr. Quayle.

Letters

Where are debates?

Editor:

Where are the debates Mr. Snow? On 21 August you promised to debate Mr. Orton, but we have seen prepared statements and one minute responses, but nothing in-depth. That indicates to me a lack of integrity and apparently a lack of knowledge of the issues. Why not address the issues in real debates.

For example: the deficit issue is critical to the future of this nation. Mr. Orton understands this. Mr. Snow apparently does not understand the wisdom of a national transfer tax. It is a tax across the entire economy. A 1 percent tax on money transfers in real estate, the stock market, and other goods and sources would eliminate the deficit and many other taxes. It is a broad based program that, combined with a balanced budget amendment, would place us on a road of economic stability. It would allow great amounts of money to be freed for investment in growth. It makes sense. It is easily managed and it is fair to all of us.

The voters are searching for integrity and answers and we aren't getting them from a politically hand picked congressional replacement who will not let us find out how knowledgeable or knowledgeless he is. We deserve better treatment.

We don't know Bill Orton as well as we should. I know him to be a dynamic problem solver. He is intelligent, honest and takes a sensible approach to tough issues. I know that he has the highest personal standards.

We have the opportunity to elect a non-politician who will reprsent us well. Make no mistake ... it will be the people who will be represented by Bill Orton.

Please join this Republican in casting your vote for integrity and real representation. Vote for Bill Orton.

Niles Elwood
Orem

Another choice

Editor:

For the past several weeks the voters of the 3rd Congressional District have been exposed to numerous television and radio "debates" between Karl Snow and Bill Orton, candidates for the U.S. Congress. Orton and Snow, Snow and Orton, Tweedle Dum and Tweedle Dee.

After the primaries, when I saw the choices that the two major parties offered, I called up a friend who is a member of the American Party and asked him if they had anyone running for Congress. The answer was yes, and I volunteered to help the campaign.

I am tired of having to vote for a candidate just because I dislike him less than I dislike the other one.

Robert Smith, and the American Party offer a real choice, one which I believe the public would vote for.

However, most of the voters in the 3rd District do not even know there is another candidate in the race for U.S. Congress. This lack of awareness is mostly a result of the major media in Utah proceeding with the debates, etc., as though there are only two candidates who are worth listening to or voting for.

By omitting Robert Smith from the television and radio debates the voters have, indirectly, had their choices picked for them. It must be comforting to the people of the Third District to know that the estalished political and media powers have "helped" them decide who they should vote for by narrowing the choices down to only two candidates.

Fortunately, however, there is a strong, door to door, grass roots campaign movement designed to let the public know that there is another choice. Robert Smith and the American Party.

Gene Flaker
Volunteer Campaign Worker

No confidence

Editor:

I find it hard to relate "Republicans for Orton" to abandoning the Republican Party, which we have been accused of doing. If our organization were abandoning the Republican platform, all we would have to do is quietly slide over to the opposing party and vote a straight Democratic ticket. However, we aren't doing this.

It should be apparent to the Republican leadership that something is dreadfully wrong. Could it be the candidate? Could the constituents in the Third District already be voting "No Confidence." Could it be that Karl Snow's integrity has and is being questioned? Far be it that anyone should even let that enter into the mind of the people of the Third District. Let it be remembered that this is the GOP, Government of the People, not the Grand Ole Party. The people choose their representative, not Howard Nielson, or Richard Snelgrove, not Norm Bangerter, not Jake Garn, not Orrin Hatch.

It has been alluded that Republicans for Orton abandoned the party because the Democratic platform embraces the issue of abortion. This is not so. The NEA also accepts homosexuality as an alternative lifestyle. The Republican party does not. Now with Karl Snow being endorsed and accepting contributions from the NEA as well as the UEA, I would think that he has abanonded the party platform. He has aligned himself with those organizations that distort the moral values that parents try to instill into their children. Then our children go to school and get indoctrinated with alternative lifestyles that the NEA has adopted and accepted as a way to live. Now you tell me who has abandoned the platform.

Mr. Snow describes himself as a moderate. His actions speak louder than his words. My vote of no confidence goes to Karl Snow.

Mike Schnabel
President
Republicans for Orton

A fair tax

Editor:

A sales tax on food, the stuff of life, is in question. Is a food sales tax regressive? Yes. A "poor" person spends a higher proportion of his income on food, and thus a higher proportion of income on food sales tax, than a person of greater wealth.

However, sales tax is a fair tax. How? Any sales tax is an equal tax. All people pay an equal percentage of tax. The key word is equal. To be a just tax it should be an equal tax for all. If a poor man pays 6 percent tax on the cost of his hamburger and a rich man pays 6 percent tax on the cost of his steak, they paid an equal percentage on different purchases.

Sales tax on food is just one possible item of purchase that can be taxed. Sales tax is not nearly so regressive when you look at the entire picture. A poor man buys a used car for $1,200 and rich man buys a new Rolls Royce for $125,000. Who pays the larger tax? The poor man's 6 percent of $1,200 is $72 while the rich man's 6 percent is $7,500. Six percent is six percent. Let's keep the sales tax.

In America, real poor people use food stamps and are exempt from food sales tax. They are even exempt from paying for food.

The unfair, un-American tax is the property tax. A perpetual lien on your private property by government. Government becomes the mortgagor on your property and can foreclose! But, that's another letter.

Bliss W. Tew
Orem

Socialism won't 'save the cl



Will Grigg

ABROAD

During the course of our confrontation with Saddam Hussein, a new catch-phrase has insinuated itself into the political vernacular: "New World Order." From the travail in the Arabian desert supposedly will emerge a new international order that will abolish aggression and injustice. An important component of that "new order" was unveiled during the World Summit for Children held at the United Nations last month.

The summit, which took place on September 29-30, produced a World Declaration on Children's Rights. The declaration was a modified version of the International Convention on the Rights of the Child, which was passed by the U.N. General Assembly last year and subsequently ratified by 50 countries.

Although the United States has yet to ratify the convention, a U.S. representative signed the declaration at the summit last September. Accordingly, the U.S. is now committed to labor on behalf of the ratification and implementation of the convention — which instrument we refused to ratify last year.

Jewell Handy Gresham of the Nation magazine exults that "The International Convention adds an essential constituency — children — to the ranks of those whose human rights must be protected." Among the "rights" mentioned in the document are adequate housing, health services, child care, education, and recreational and cultural activities.

The convention adumbrates a world order in which children would be the wards of an omniprovident state — and the family an anachronism.

The convention makes of children a constituency capable of asserting claims upon society (and conceivably against their parents). The convention's guidelines are palpably socialist: rather than defining "rights" as claims against the power of government, the document defines them in terms of services that government should provide. This is the same "social contract" philosophy that has led to the ruination of Russian and East European society.

Anytime a ruling elite desires an amplification of its power, it creates a crisis — that is, it seizes upon a problem and invests it with apocalyptic significance. "Solutions" for the crises are consistent in two particulars: first, they always involve some enrichment of the bureaucratic state; second, they always give birth to subsequent "crises" which, in turn, sire similar "solutions." Government cannot create wealth, but it is adept at creating work for itself through the manufacture of "crises."

The World Summit for Children was a crisis-creating exercise. A vanguard of American celebrities — led by that champion of Justice, Valerie Harper — toured the "Oprah Circuit" on television. Vigils were held in A lit, balloons night sky; h about justice were manna sentimentality.

For those Pentecost, th as a "human casts, and p save the child

Once the m "something m ready to susta by the same t crisis. We ha tions" phase sade, but we "solution" has starving child world's bureau

Fifteen year student of t warned, "The with it the ve transformatio transformatio be purged o away."

Shaferevich that his propl the vitality transforming instinct that experience o place them of the irratio

Few things the belief th would benef socialism.

Save some money, vote out an inc



Jack Anderson
& Dale Van Atta

UNITED FEATURE SYNDICATE

WASHINGTON — If you're considering throwing the bums out on Nov. 6, here's some added incentive. If you don't vote congressional incumbents out this time around, you will buy them gold-plated pensions.

Congress has written itself the fattest pension plan in the country, but in order to reap the full benefit, the member has to hold his or her seat until 1993. At that point, their future pensions will be based on the generous pay raise they recently slipped themselves. Anyone who loses this year will get a pension based on the old pay rate.

The difference is substantial. For example, if voters decided to dump Rep. Frank Annunzio, D-Ill., he will start collecting an annual pension of $53,897 next year. But if Annunzio can hang on another term, his pension will start at $73,996 and climb from there, according to calculations by the National Taxpayers Union.

For 20 members of the House, re-election this fall will ensure them a pension of at least $90,000 a year because of their salary record while in office. Rep. George Brown, D-Calif., is in a nail-biter of a race. If he loses, his pension will start next year at $69,898. If he wins, he could retire in 1993 with a more comfortable pension of $96,080.

The national disgust with those in power has made "incumbent" a dirty word this year and has given hope to challengers with no political resumes. That disenchantment has led to proposals for term limits so members of Congress will vote based on their consciences, not their campaign war chests.

The anti-incumbent crusade has spawned a cottage industry. One Florida-based group, "Throw the Rascals Out," has run newspaper ads expressing such sentiments as, "I'm not going to give in to those clowns!"

Lost in the populist fury is the simple money-saving potential of a rout. New faces would be cheaper.

The pension plan is based on a variety of factors including the number of years of government service and the member's top three years of income. For House members who lose their seats next week, the pensions will be based on their average salary over the past three years, or $91,-699. But for those who survive another term, the average will reflect the 40 percent pay raise they gave themselves beginning next year.

If Congress were a private company, the IRS would call its pension plan illegal. The plan is unusual in that it keeps pace with the cost of living and insulates the lawmakers against inflation and recession.

Due to the self-serving foresight of the congressional pension plan and some generous cost-of-living increases, many former members make far more in retirement than they received in office. Sen. Albert Gore Sr., the father of the current Sen. Albert Gore Jr., D-Tenn., retired from the Senate in 1970 with a salary of $42,500. He is now entitled to a pension of $88,564.

Our associate Jim Lynch has learned that former President Gerald Ford will get more money from the federal pension plan this year than President Bush gets in salary. Thanks to ample presidential and congressional pensions, Ford will collect $219,000 this year, while Bush's salary is $200,000.

Despite the anger sweeping the country, the anti-incumbent crusade will be lucky to oust more than a handful of incumbents. The insiders simply have too much of an advantage — name recognition, free mailing privileges, their own recording studio and years of cultivating generous campaign contributors who expect nothing but the lawmaker's soul in return.

EXPORTING FUN — The movie industry is fast becoming a major American export product, second only to agriculture. Hollywood is still the pre-eminent enter-

tainment fac ing steps t change. In have begun premiering abroad first. pride for a films instea East, fans ca Norris movie

MPAA-EDIT wants a $5 outside of Wa dent Dan Qu assassination training and Secret Servic In these tou know that ou luxuries to i themselves a

O

The gover ble ... so wha raises the pa people gett whether they

The boost 5.4 percent, eight years.

Many pe checks are money. But entitled to system whe they're ent whether they

There's so ernment tha already take gling young money to whose hefty their senior at all.

Reprinted f Herald

N000127

N000128

The Daily Herald

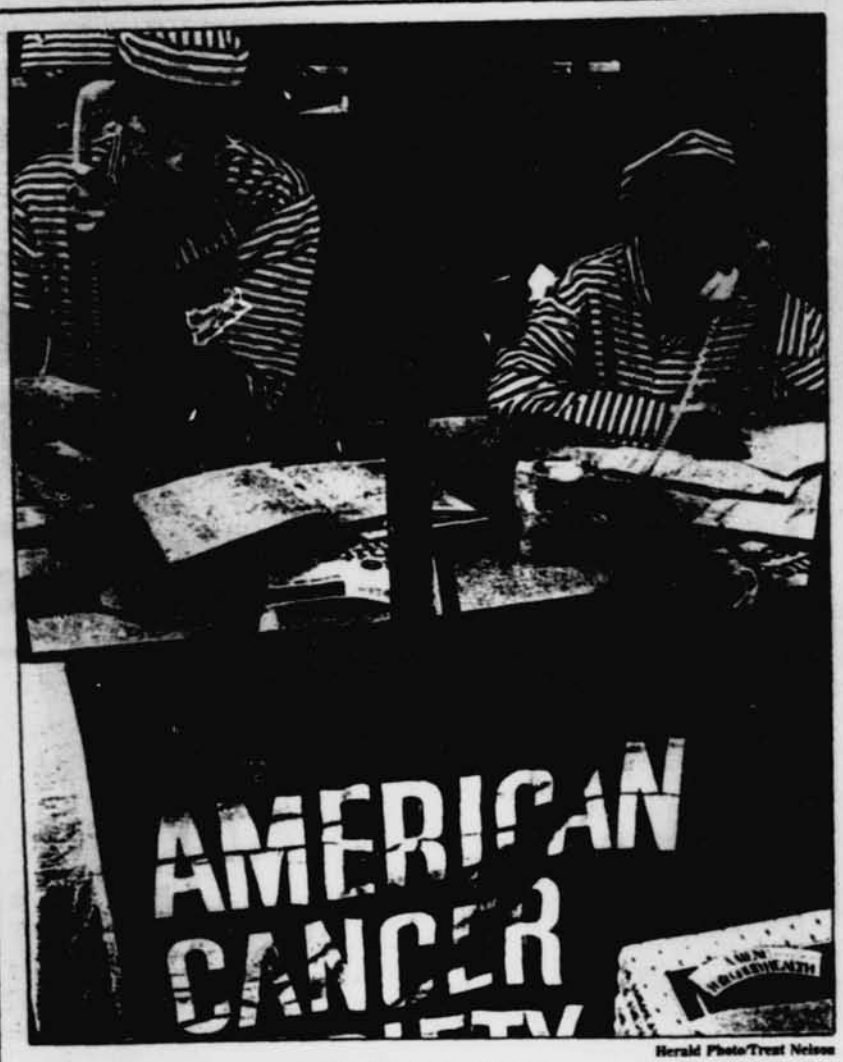
Wednesday
Oct. 31, 1990

tion:

B5

Local

B1



Herald Photo/Trent Nelson

Bail money

Shawn Bradley (left), Brigham Young University basketball player, and Margaret Firmage were jailed Tuesday as part of the American Cancer Society's annual Jail-a-Thon in the Orem JC Penney store. Education, business and political leaders were required to remain in jail one hour or raise between $250 and $1,000 bail. The society expects to raise about $20,000 through the activity, which will continue through Friday.

Vice president faces fix up of local GOP

By PATRICK CHRISTIAN
Herald Staff Writer

When Vice President Dan Quayle, a Republican, arrives in Provo Thursday to attempt to boost 3rd Congressional District GOP candidate Karl Snow's chances of election, he might find himself trying to patch up a splintering Republican Party.

Already there are at least two separate groups of Republicans for Orton — supporting Democrat Bill Orton for the congressional district.

Nearly 25 Republicans attended a meet-Orton event Tuesday night at developer Doug Marriott's Orem home to listen to Orton.

Marriott said he called between 75 and 100 Republican acquaintances.

"Many said they had already decided to support Orton. I think only three people said they were planning to vote the other way," said Marriott.

Orton spoke in front of a large sign that looked like Orton's common campaign sign. But worked into the sign was the message —

"Republicans for Orton
- clean
- conservative
- courageous"

Orton told the group of Republicans about his ideas to balance the budget and other political notions.

Among those who attended Tuesday were Orem Mayor Blaine Willis and Orem City Councilwoman Joyce Johnson, both Republicans.

Snow campaign manager Clark Caras said that Willis had endorsed Snow.

But Willis said this morning that he has not yet endorsed anyone for the 3rd District.

Willis said he attended the meeting because his neighbor Marriott invited him and he wanted to hear what the Democrat had to say.

Also at the meeting was longtime Utah County GOP activist Steve Shallenberger, who said he is already committed to Snow, but attended the meeting as a courtesy to his friends Marriott and George Murdock, Republicans who are strong supporters of Orton.

Shallenberger confirmed that he will be introducing Snow at the vice-presidential political rally.

It was Murdock and Marriott who paid for the airplane to tow the Republicans for Orton sign around Utah Valley and BYU's Cougar Stadium during the BYU-New Mexico football game last weekend.

Also attending the meeting was Mickey Cochran, former campaign manager of John Harmer, the Republican 3rd District candidate that Snow defeated in the GOP primary.

Quayle already should be aware of some fracturing among Republican opinion in the 3rd District.

Murdock said he and others dispatched letters to Quayle's fax machine at the White House Tuesday.

"Though this district is reputed to be the most Republican of any in the U.S., don't think for a minute that you will arrive here to find any united Republican coalition for Karl Snow," stated part of Murdock's fax to Quayle.

His fax also said Republicans for Orton still hold to GOP ideals.

"This significant groundswell of Republicans for Orton in no way implies any endorsement by us of the Democratic Party platform. On the contrary, we fully support that of the Republican Party. We just think Bill Orton is the more conservative and better-qualified candidate," the fax continued.

Caras said, "Republicans for Orton has not been any more an issue with us than Democrats for Snow would be."

Quayle visit

Karl Snow campaign manager Clark Caras said some changes have been made in the visit by Vice President Dan Quayle Thursday.

Doors to Utah Valley Community College where Quayle will speak will not open until 12:15 p.m.

The vice president's plane arrives at Provo Airport at 2:05 p.m.

Inside Today:

Wasatch County candidates listed for voters to debate their choices
Page D1

Nation
College Board changes SAT
Page A3

Lifestyle
Summer fashion forecasts glitz
Page B1

Sports
Jazz prepare for opener in Japan
Page E1

The Daily Herald

Thursday, November 1, 1990 — Central Utah's Newspaper for 116 Years — Issue No. 93, Provo, Utah — 50 Cents



AP Laserphoto

Sailors aboard the USS Iwo Jima comfort each other after a memorial service today for 10 shipmates.

Iraq offers holiday visit for families of hostages

By The Associated Press

Iraq is offering to let relatives visit foreign captives for the holidays, but the White House demanded today that the Baghdad government let them come home instead.

Aboard the amphibious assault ship USS Iwo Jima, Navy sailors and Marines held a somber memorial service for 10 mates killed in a boiler room steam leak. Tuesday's accident was the worst suffered by the Navy since Operation Desert Shield began in August.

President Bush, in a speech in Burlington, Mass., said today the United States and the world community were "united to meet and outrage" at the treatment of hostages by Iraq's "brutal dictator," Saddam Hussein.

A spokesman for the Iraqi government insisted Wednesday that diplomats in Kuwait and other foreigners in Iraq and Kuwait were "well treated and all receive good care."

Presidential spokesman Marlin Fitzwater, asked about Iraq's offer to allow holiday visits by families of hostages, said: "Why doesn't he (Saddam) let the hostages come home? That would be the best way — or better yet, Thanksgiving."

The Iraqi offer on Wednesday came just hours after Bush said he was fed up with the treatment of American diplomats in occupied Kuwait. Iraqi troops are trying to starve them out of the U.S. Embassy.

Bush said today he still hoped for a peaceful solution to the gulf crisis, but insisted "there will be no compromise" on the United Nation's demands for a complete withdrawal of Iraqi forces from Kuwait.

The White House, meanwhile, was silent today on comments made Wednesday night by Vice President Dan Quayle, who said it was not enough to force Saddam out of Kuwait. He said the world cannot allow the Iraqi leader to keep his arsenal of chemical weapons and ballistic missiles.

Related story, A6

We would have to go beyond that if these objectives would be achieved because you can not simply allow Saddam Hussein to have this military power and have the technology into the future," the vice president said in an interview on PBS' MacNeil-Lehrer NewsHour.

A Soviet envoy who met twice last month with Saddam says the Iraqi president is more open to a peaceful settlement than he was in early October.

Yevgeny Primakov also said Wednesday that Iraq agreed that 3,500 Soviet citizens can leave Iraq before the end of November. He said 34 Soviet military experts were flying home to Moscow today.

(See GULF, Page A3)

Brother of Unique president admits he was secret source

By PATRICK CHRISTIAN
Herald Staff Writer

spoke by telephone to the Herald from New Mexico where Darger

But Darger said he kept the battery papers his brother occa-



Report says ex-HUD chief steered funds

WASHINGTON (AP) — Former Housing Secretary Samuel Pierce directed federal grants to political friends and [illegible]

N000129



AP Laserphoto

Sailors aboard the USS Iwo Jima comfort each other after a memorial service today for 10 shipmates.

Thanksgiving."

The Iraqi offer on Wednesday came just urs after Bush said he was fed up with the eatment of American diplomats in occupied Kuwait. Iraqi troops are trying to starve them out of the U.S. Embassy.

Bush said today he still hoped for a peaceful

early October.

Yevgeny Pri Iraq agreed tha Iraq before the Soviet military Moscow today.

(

Brother of Unique president admits he was secret source

By PATRICK CHRISTIAN
Herald Staff Writer

The brother of polygamist John Darger, president of Unique Battery, admits he was the secret source of controversial Unique Battery papers that have dogged Karl Snow, the Republican 3rd District candidate, during his political campaign.

He said he first showed the papers to Snow's Democratic opponent Bill Orton, and then gave them to Snow's Republican primary opponent, John Harmer. Harmer first made them public.

Attorney Dan Darger told The Daily Herald Wednesday that in 1984, he had warned his brother against getting involved with Michael Strand, a convicted felon and penny stock manipulator who wanted to merge Unique Battery with Global Oil.

"I told him Snow was the bait."

The Salt Lake City attorney spoke by telephone to the Herald from New Mexico where Darger is arguing a tort trial.

"When my brother came to me to tell me about the impending merger involving Strand, and when I met Strand, I got a bad feeling and called a stockbroker friend of mine, who advised me to stay far away from Strand."

"I then told my brother, 'you're in bed with sharks,' but he said guess who I met in Strand's office and he told me it was state Sen. Karl Snow and he said he and Snow were going to the governor's ball together."

Darger claims it was obvious that Strand brought Snow into his dealings because Strand was a convicted felon who needed the legitimacy a state senator could provide.

Darger said his brother rejected his advice to stay out of the deal and lost his money and company in the penny stock deal.

But Darger said he kept the battery papers his brother occasionally gave him to review, and some of them have Snow's name on them.

He said he kept them for possible future revenge on those who misled his brother.

He said in April of this year when he learned of Snow running for Congress, he took the papers to Bill Orton, who was the Democratic candidate opposing Snow.

But he said Orton thanked him and told him he didn't want anything to do with the papers.

Orton confirmed this Wednesday and said he did not want to become involved in a dirty-tricks campaign.

Darger said he then gave the papers to Harmer through an anonymous source, and said he still wants to maintain the confidences involving that transaction.

(See ORTON, Page A2)



AP Laserphoto

Washing day

Sgt. William White of Penbook, Va., does his laundry chores today in the Saudi desert where he is stationed with the Army's 1st Battalion, 8th Cavalry.

Assessor denies harassing Orton

By PATRICK CHRISTIAN
Herald Staff Writer

Utah County Assessor Ron Smith, who was looking for a "ghost" Mercedez Benz, said he was searching for lost county revenue and not seeking to harass a Democratic congressional candidate.

Smith drove up to 3rd Congressional District candidate Bill Orton's campaign headquarters Monday and started writing down the license plate numbers of cars there, said Spencer Taylor, the Democrat's campaign manager.

Orton is locked in a gung-ho political battle with Republican Karl Snow.

"I watched him pull up, and he had a Snow for Congress bumper sticker on his front bumper," said Taylor.

According to Taylor, Smith talked with Orton and Orton asked him if the visit was official.

"He didn't answer for about 30 seconds, and finally said — 'Yes, I'm on an official visit.'"

Taylor said he and others at Orton's office believed "Smith's visit was politically motivated because of the Snow bumper sticker and Smith being a Republican elected official.

Smith said his actions were not politically motivated and that he would have done the same thing if the inquiry would have involved Snow. He indicated that he is always interested in collecting property tax that is due to the county, and thought there was a chance there could have been unpaid tax dollars involving the car.

Smith said a reporter for the Desert News called him inquiring about a 1981 Mercedes Benz that

(See SMITH, Page A2)

7 Peaks EIS to remain closed, alliance learns

By CHRISTI C. EVANS
Herald Staff Writer

The Rock Canyon Preservation Alliance hoped to reopen the Seven Peaks environmental impact statement, but was told Wednesday it couldn't be done.

Nevertheless, the group vows to continue promoting a proposed amendment of the Uinta National Forest plan, although forest officials cannot compare the proposal directly with the Seven Peaks ski resort application.

Alliance members submitted the proposed amendment to the Uinta National Forest Land and Resource Mangement Plan on Oct. 17. The amendment would prohibit commercial development and protect watershed lands in Provo's east mountains.

However, the Forest Service decided Oct. 19 to "file" the alliance proposal until the redrafting process of the forest plan begins in one to two years.

The land protected in the alliance proposal includes land involved in the proposed Seven Peaks project.

Alliance members had hoped the Forest Service would reopen the environmental impact statement,

(See CANYON, Page A2)

Appointee faces challenger for commission

Herald Staff Report

Four-month incumbent Commissioner Gary Herbert, a Republican, is being challenged by Democrat George Tripp to complete the final two years of former Commissioner Brent Morris.

Herbert took over Morris' duties four months ago after Morris resigned to run for the GOP nomination for the 3rd Congressional District seat. He was appointed to the position for the remainder of 1990 by the present county commissioners, after being one of three nominated for the position by the County Republican Central Committee.

In his short tenure, he has been involved in the realignment of UVEDA, compromise work on Provo Bay to allow funding for the Central Utah Project, the addition of a film commissioner to the Utah County Travel Council, and work on the Governor's Clean Air Commission.

He states that he is a homegrown product with roots deep in Utah County. He was born in American Fork and raised in Orem.

He comes to office with a wide background of experience, having been elected president of the Utah County Board of Realtors and the State Association of Realtors. For the past eight years he has worked on legislative issues both in Utah and Washington, D.C.

Currently, he serves on a national task force overseeing FHA/HUD reforms.

His basic beliefs are that elected office is a trust. "The people expect and should receive from their officials honesty, trustworthiness and dedication to the job at hand," he says.

Also, Herbert sees a need to emphasize economic development to broaden the tax base; a need for long-range goals and developing a comprehensive master plan; and stressing the quality of life in the area.

"With my background in real estate, I know what it's like to balance budgets and make payroll," he said. "I have been involved in public property rights and in lobbying for housing reforms," he said.

(See ELECTION, Page A2)



Index

Find it

Arts/Entertainment	B7-B8
Classified Ads	C2-C3
Comics	B6
Crossword	C2, C5
Horoscope	B3
Legal Notices	C2
Movies	B7-B8
National	A3
Obituaries	D2
Opinion	D7
Sports	E1-E7
State	D6
Stocks	A7
World	A5

Herald "Want Ads" get results. Place your ad by calling 373-6450

N000130

Page A1)

blished report
fficials as say-
allied assault
Iraq plans to
tankers. The
ington Times
are anchored
ian coast, and
as well. The
ibuted to Pen-
intelligence of-
named.
experts told
the outbreak
efusal to relin-
riple oil prices
using gasoline
gallon.
visits for the
ne Wednesday
tion Ministry
ad, was brand-
eign Office on
cynical propa-

t another psy-
id Dawn Baz-

nds building.
to make sure
ah Project wa-
h Utah County
and not to Salt

ns as mayor of
a the board of
an of Timpan-
District, presi-
nty Council of
chairman and
Mountainland
ents and vice
hi City Civic
ation. He was
Junior Cham-
d on the board
master plan

9 years in the
receiving an
ee Award at
worked as a
Alpine School
named Alpine
of the Year in

ner, whose husband, Mark, was videotaped early in the crisis asking Saddam to let foreign women and children go.

"I'm hoping that we won't have to visit (Mark) there ... but if it comes down to it, I will go," she said in Palm Desert, Calif.

The Iraqi spokesman said foreigners were not being mistreated.

"The safety of all diplomatic premises and staff and the American Embassy in Baghdad and the former American Embassy in Kuwait are guaranteed," he said, speaking on condition of anonymity.

SMITH:

(Continued from Page A1)

may not have had Utah County property tax paid on it that may have belonged to Orton.

So Smith said he went to Orton's campaign headquarters to check the situation out.

He said when he learned from Orton that the Mercedes Benz in question was a vehicle long since sold by Orton, he left considering the issue closed.

The Mercedes Benz is at the center of a dispute Orton said he has with the Utah State Tax Commission.

The state claims he owes taxes on the vehicle. Orton claims he doesn't because it was registered in Oregon and used primarily at his Oregon residence.

During the same period, he also had a Provo residence and other vehicles registered in Utah.

Orton told The Herald he bought the Mercedes in 1982 and later sold it.

Taylor said Orton now owns a Chevrolet Corvette, an Audi, a Ford pickup truck and a Harley Davidson Sportster motorcycle.

Smith, when asked about using his own vehicle displaying political bumper stickers while on county business, said it would be nice to have a county vehicle, but he said he didn't have a county car. "I think the front and rear bumpers (of his own car) are mine."

ON:

Page A1)

e Seven Peaks
and insert their
nt as an alter-

inesday of alli-
Forest Service
members were
rvice could not
Peaks impact

at the alterna-
xplored in the
effective," said
nce member.
e Seven Peaks
n the impact
aking no action
ollowing guide-
orest plan.
sal encourages
nal opportuni-
d policy for the

ould have been
IS had had a
t would perpet-
nd, said Sam
nember.
dequate consid-
s sort of alter-

ecreation and
with the Uinta
aid, "It's not

Rushforth said. "They want citizen input."

The alliance will continue to explore all its opportunities to gain consideration and adoption of its proposal, Clemens said. "We are pursuing every possible avenue of appeal on this question," he said.

An alliance representative will be traveling to Washington D.C. soon to meet with F. Dale Robertson, national chief of the Forest Service, as well as the heads of subcommittees in the House of Representatives, Clemens said.

The alliance is prepared to pursue the matter in court if it becomes necessary, Rushforth said. "The Rock Canyon Alliance is committed to working in every arena. We certainly don't fear the legal arena," he said.

Seven Peaks Resort has a deadline of Jan. 1 to submit proof of financial ability to complete the ski resort project. If that deadline is met, a new record of decision would be issued by the Forest Service on whether the project is to be allowed.

Victor Borcherds, Seven Peaks Resort owner, said he believes he has the financial proof put together and is waiting for the final results of the resort's latest air quality study to come in.

The owner was required to show proof of $27.8 million to complete the resort's first phase, which includes the funicular railway, five

ORTON:

(Continued from Page A1)

He said that Harmer and Orton did not know that he was the source of the information Harmer eventually received before the June GOP convention. Harmer refused to publicly divulge the contents of the papers.

But on Aug. 13, Harmer held a press conference saying he had damaging documents and had turned them over to Snow for him to review for a week before Harmer disclosed them to the public.

Snow in turn, presented the documents to The Daily Herald and to four Provo attorneys who said they were an independent body. The attorneys later declared that Snow was innocent of any wrongdoing.

Harmer said the documents alleged Snow was involved in a stock fraud manipulation with Strand and that he had received political contributions from Strand.

Snow's disclosure statements from his 1984 bid to be governor did reveal that he had indeed received political contributions from Strand and his family.

Orton told the Herald that in August, after Harmer had made the battery papers public, he became concerned over the possible safety of candidates, because he remembered that one invester, Percy Kalt, had firebombed Strand's residence and that Strand had also been convicted on a weapons charge.

So he said he went to the court where legal cases involving Unique Battery/Global Oil were deposited and checked out the files and read them.

He said after reading them, his fear subsided and he made his own determination that the cases showed no criminal wrongdoing by Snow.

On Monday, Utah GOP chairman Richard Snelgrove tried to use Orton's checking out the court document as evidence that Orton was behind the revelation of the battery papers.

Snelgrove also said that Darger shares an office with Orton in Salt Lake City.

Both Darger and Orton confirmed that they have offices on the same floor at 31 Exchange Place in Salt Lake City. But both said they seldom see each other. Orton and Darger also said that Ralph Petty, an attorney who has represented Snow also has offices on the same floor, but Darger said he never revealed the battery papers to Petty. Petty confirmed this, and also said that his father is a personal friend of Strand, but this has nothing to do with the battery papers or his past representation of Snow.

The Daily Herald
(I.S.S.N. #891-2777)
Second Class Postage Paid at Provo, Utah
U.S.P.S. ID #143-060
Published Daily by
SCRIPPS LEAGUE NEWSPAPERS, INC.
1555 North Freedom Blvd
P.O. Box 717
Provo, Utah 84603-0717
KIRK PARKINSON, Publisher
N. LaVERL CHRISTENSEN
Editor/Editor Emeritus
1949 - 1989
POSTMASTER:
Send change of address to
The Daily Herald
P.O. Box 717
Provo, UT 84603-0717
MEMBER
Audit Bureau of Circulation
NEA Service
HOME DELIVERY RATES
(by youth carriers)
1 Month, carrier $ 8.25
6 Months, carrier $49.50

PRICES EFFECTIVE TUESDAY THRU SATURDAY

REAMS

HIGHEST QUALITY
LOWEST PRICES

1350 NORTH FREEDOM BLVD., PROVO 890 WEST CENTER ST., PROVO
WE ADD ONLY 10% TO THESE PRICES

SEEDLESS GRAPES Ruby Red, Lb. 59¢

APPLES Lg. Red Del., Lb. 39¢
BROCCOLI Fresh, Lb. 39¢
GRAPEFRUIT Ruby Red 7/1.00
POTATOES #1 Russet, 10 Lb. Bag 79¢
CARROTS Clip Top, 5 Lb. Bag 69¢
BANANAS Golden Ripe, Lb. 23¢

REAM'S QUALITY MEATS
GROUND BEEF Lean Family Pack, Lb. 1.19

FRYER THIGHS Daily Farms, Lb. 39¢
TURKEY BREAST ROAST Barbecue, Lb. 1.29
BEEF PATTIES Armour, Chicken Fried, Lb. 1.29
BACON Maple River, Lb. 1.19
PORK ROAST Fresh Picnic, Lb. 1.09
LUNCH MEATS John Morrell, Asst. 1.39
PIZZA Mama Rosa's 40 Oz., 2 Pk. 3.69
COOKED HAM John Morrell, 12 Oz. 2.69

CHOCOLATE CHIPS Nestle Semi-Sweet Milk Chocolate 1.29

CHUNK TUNA Bumble Bee 2/1.00
FRITOS All Flavors, 12 Oz. 1.29
GRAPE JUICE Five-O-Pack, 12 Oz., Frozen 59¢
HANDI WRAP Bonus Pack, 200 ft. 89¢
APPLE JUICE Five-O-Pack, 12 Lb. 49¢
POTATO CHIPS Ege Bowles, Ranched, Ridged 1.59
VEGETABLES Western Family, Frozen 69¢
BREAD Old Home, 1½ Lbs. 89¢

POPCORN Orville Redenbacher (Reg, Hot Air) 30 Oz. 1.98

CLAMS Snow's, Minced/Chopped 59¢
SHORTENING Wesson, 3 Lb. Pkg. 1.59
DRESSING Homestyle, 16 Oz. 1.39
DETERGENT Surf Powder, 136 Oz., 1.50 Off 5.49
DINNERS Health Choice, Frozen 1.79
SPREAD Shedd's 1 Lb. Quarter 3/1.00
ICE CREAM Hollow Farms 5 Qt. 3.69
CAT FOOD Alle Cat, 6 Lb. 2.89

PASTRY BOARD White/Gray, 18"X18" Reg. 23.00 9.99

ROLLING PIN 4.99
FLOURESCENT BULBS 69¢

Thurs
The I

Board

BOSTON (AP) — In a f
college-bound students wil
give their own answers
Scholastic Aptitude Te
problems instead of pick
multiple choices. But t
able to use a calculator.

Those are among ch
nounced Wednesday by t
Board, sponsor of the
most widely used college
exam in the nation.

The revisions — the m
in the test's 64-year hi
include more emphasis
comprehension. The re
called SAT-I, will be int
1994, board President
Stewart said.

In addition, an opt
known as the SAT-I
phased in starting nex
will include an essay se

Critics who have cl
the test is culturally b
poor judge of students'
the changes don't go fa

"It's polish. It's addi
fins to the Edsel,"
Schaeffer, public educa
at FairTest, a Cambr
based group critical
"The SAT should be o

All reg econo

WASHINGTON (AP
gions of the country
either slow growth
decline in economic
Federal Reserve Boar

The bleak assessm
tral bank report k
"beige book" offere
Wednesday with the
mism generated a di
separate report.

The Commerce De
reported that the eco
sured by the gross
uct, grew a stronger
1.8 percent in the
quarter.

However, the Fe
said a survey of
banks found that hi
are shaking the cor
sumers and busines
the country.

"Most districts r
tailers were gener
... (They) blamed
confidence brought

Evang clash

SAN FRANCISC
evangelist ordered
out of the San
without delay as a
of 1,000 pro-homo
cursed him and his
"prayer warriors."

The two-hour
Wednesday evenir
the Civic Center
site of a Christia
ized by evangeli
city is plagued b
sexuals, crime, w
eral sin.

The protesters
the meeting wa
homosexuality, sl



billed him.

Do you see two entries for agent's time and expenses on the Accounts Receivable sheet? Neither do I!

Snow claims I made a $1,000 contribution-in-kind for creative work to his 1984 gubernatorial campaign.

He is lying.
As a professional courtesy, I discounted Snow's bill by approximately $1,000; after he refused to pay the bill, he listed the discount as a campaign contribution (unbeknownst to me). (See Schedule A.)

Snow claims he tried to settle with me.

He is lying.
Never once in six years did Snow return my calls or visit me personally. Instead, he referred me in a letter to Mike Strand. (See letter.) Snow knew I would never contact a convicted felon. That's a threat, not a settlement!

Snow claims that if he were guilty, I would have named him in a lawsuit by now.

He is lying.
I turned the matter to my corporate attorney who refused to take on the "political machine" behind Snow—a whole other issue in this campaign.

Snow claims he has been cleared of all wrong-doing by two independent investigations.

He is lying.
Neither team of investigators ever contacted me or my office or reviewed our records in an effort to clear Snow.

Snow claims I am behind Utahns for Ethical Government.

He is lying.
I am not affiliated with them; I have given them advertising advice.

The issue here is not a $3,300 unpaid campaign debt. The issue is what that debt says about Karl Snow. If Snow ignores his own debts, how can we trust him to tackle the national deficit? If Snow avoids personal contact, how can we trust that he'll stay in touch with his constituents? If Snow thinks his behavior is ethical just because it's not illegal, does he really represent the values of the Third Congressional District? If Snow hides behind an investigation every time he's challenged, how can we trust him to reduce the role of government in our lives? If Snow prefers to attack rather than answer to his constituents, how can we elect him at all? Most importantly, if Snow covers up something as small as a $3,300 debt, what else is he hiding? I'm running this ad to clear my name — and to help voters get a clearer picture of the Karl Snow I know.

It's difficult for a dyed-in-the-wool Republican like me to vote anything but Republican. I cannot vote for Karl Snow. I'm going to vote for Bill Orton. And so are a lot of other Republicans.

PAID FOR BY PEGGY FUGAL ADVERTISING
A DIVISION OF FUGAL & FUGAL, INC. A UTAH CORPORATION SINCE OCTOBER, 1974

N000132

9 7 0 4 3 8 3 0 7 3 9

N000133

There's a thin line between withholding facts and lying. In my case, Karl Snow has crossed that line more than once.

Peggy Fugal Advertising has just begun its 17TH year in business in Provo, employing a dozen advertising professionals fulltime, providing parttime employment for more than a hundred homemakers, and contributing more than $6 million to the local economy with award-winning advertising for local, regional, and national clients from coast-to-coast. • My good name and business reputation has been dragged through the mud repeatedly during Karl Snow's congressional campaign and never once has the press reported my side of the story. You need to hear it before election day.



Snow claims he has no unpaid campaign debts.

He is lying.
He has owed my advertising agency $3,360.89 for more than six years now—$6,990.65 with interest. (See Accounts Receivable sheet.)

Snow claims he does not owe the debt.

He is lying
His campaign manager signed for the work and his finance chairman acknowledged the debt and encouraged Snow to pay it.

Snow claims I billed him six months after the fact.

He is lying.
I billed him three days after he lost his gubernatorial bid in June of 1984. (See Invoice.)

Snow claims I billed him for work I did not do.

He is lying.
I kept track of every minute and penny we spent on his campaign and billed him accordingly. (See Job Sheet.)

Snow claims I double-billed him.

He is lying.
Do you see two entries for agency time and expenses on the Accounts Receivable sheet? Neither do I!

9 7 0 4 3 8 3 0 7 4 0

9704383074

Orton Calls Release of Tax Data 'Political Dirty Trick'

By John Keahey
Tribune Staff Writer

Third District congressional candidate Bill Orton charged Wednesday the Utah State Tax Commission is making a "blatant attempt" to control the outcome of his race against Republican Karl Snow by releasing information on his property-tax problems a week before the general election.

"I think this [tax] issue is being blown far out of proportion," said Mr. Orton, a Democrat. "It's being used simply as a political dirty trick."

Tax Commissioner Hal Hansen denied any political motivation by commissioners in releasing the information.

"The release of it had nothing to do with Mr. Snow or anything to do with his campaign," Commissioner Hansen said. "Our decision would have been the same regardless of [political party affiliation] and who was running. Nobody from outside the commission asked us to do this."

The commissioner pointed out that two commissioners are Republicans and two are Democrats. "The decision to release the information was unanimous."

Other commissioners are Blaine Davis, Roger Tew and Joe Pacheco. All were appointed to four-year terms by Republican Gov. Norm Bangerter.

Mr. Orton said a news reporter had attempted to get the same information from the commission in early October, but was denied access on grounds of confidentiality.

The commissioners' reversal one week before the election is "a blatant attempt by the Republican Party, in desperation, to try to destroy my campaign," Mr. Orton said. "They know, on the issues, they're losing. The only way Karl Snow can win the election is to destroy my integrity and credibility."

Commissioner Hansen said the reversal was made on grounds that the information dealt with a property-tax issue, not a confidential income-tax return.

The property-tax issue involves an automobile Mr. Orton purchased in the early 1980s in Oregon where he owned a house and maintained a tax-consulting business. He also did business in Utah and maintained a home and automobiles here as well.

He said he brought the Oregon car to Utah in 1984 and eventually was investigated by the Tax Commission for driving the vehicle with Oregon license plates while living in the state. He was cited for not paying property tax to Utah on the car and he appealed the decision.

Mr. Orton said he didn't hear from the commission for 2½ years about the appeal and then underwent a "short, informal appeal conference" in 1987 with one commission employee. He said he disagreed with the decision and further appealed the matter.

It's at this point the commission and Mr. Orton disagree on the procedure. He said his appeal is still active and "I'm confident I will prevail."

A commission spokeswoman, quoted by The Associated Press, said the Tax Commission had no record of it. She said Mr. Orton can ask the state Supreme Court for a judicial review, but she said the Tax Commission has not been notified of a court hearing.

Tax records show the candidate paid earlier this year the $1,200 in taxes on the vehicle, but continues to owe $1,349.78 in penalties and interest, she said.

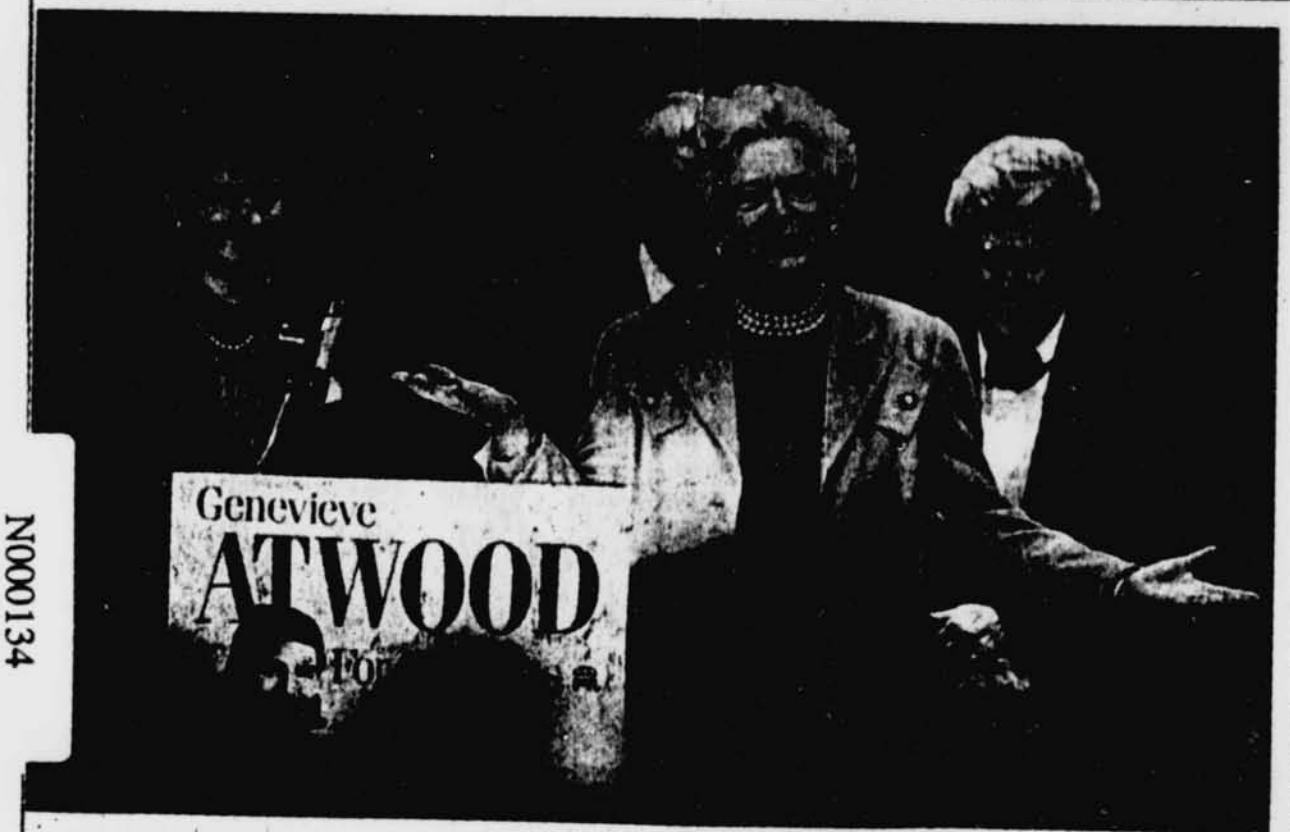
Commissioner Hansen said the commission's decision to reverse itself and release specifics of Mr. Orton's case was based on the "political situation. We read the newspaper and watch the TV and we knew it was an ongoing issue.

"We were concerned the full story was not being told." He said it's not the Tax Commission's role to release

See B-2, Column 1

The Salt Lake Tribune State/Local

Thursday Morning—November 1, 1990
Section B Page 1



—Tribune Staff Photo by Jeff Allred

Barbara Bush smiles and gestures to the audience at a campaign rally for Republican congressional candidate Genevieve Atwood. Mrs. Bush praised the candidate as "qualified and decent" and said the race is "winnable."

First Lady Stumps For Atwood At Capital Rally

By Douglas L. Parker
Tribune Political Editor

First lady Barbara Bush went to bat Wednesday for Utah congressional aspirant Genevieve Atwood in a downtown Salt Lake City hotel ballroom filled with hundreds of supporters eager for a brief glimpse of the president's campaign surrogate.

"This is a winnable seat," said Mrs. Bush, who characterized the 2nd Congressional District Republican aspirant as "qualified and decent" and deserving of voter help for putting herself on the line in the political arena in her race against two-term Democratic Rep. Wayne Owens.

It was a mostly light-hearted campaign rally in the Marriott Hotel, where the first lady — who hadn't personally met Ms. Atwood until the event — turned at times to self-effacing remarks about her dress, tales of the White House dog Millie and how she ended up throwing out the first pitch in the baseball World Services as the "family jock."

"I'm a President Bush supporter right down to my underwear," asserted Ms. Atwood while introducing Ms. Bush. The comment spawned titters throughout the crowd and a response from President Bush's wife: "I can hardly wait to get home and tell George about that."

The good-humored exchange, indirectly, drew attention to the political curiosity overhanging the rally: Mrs. Bush was supporting a candidate who opposed the deficit reduction deal supported by her husband.

Mrs. Bush, at a later news conference, saw nothing bizarre. "That doesn't bother me at all," she said. "Do you know how many candidates I've spoken for in the same circumstances?" The first lady said the differences show "diversity" in the Republican Party.

Congressman Owens pointed to the oddity in a letter sent last week to the White House in anticipation of Mrs. Bush's Salt Lake City campaign stop.

"I was the only Democrat in any of the 36 hotly contested House races [around the country] to support your husband's position, and the position of the joint congressional leadership, on deficit reduction," Rep. Ow-

See B-2, Column 4

N000134

Plan for Park-and-Ride Sites

By Dan Harrie
Tribune Staff Writer

Salt Lake County has its first park-and-ride master plan, following approval Wednesday of 67 potential parking lot sites identified in the southeast valley.

The lots are recommended to accommodate increased use of buses and car pooling. And the first master plan is meant to be a model for other areas of the county.

County commissioners on Wednesday unanimously approved the plan, after deleting the single most controversial site proposal — about one-quarter mile above the mouth of Little Cottonwood Canyon.

"We agreed with the Forest Service this was not an appropriate place for a parking lot," said Commissioner Bart Barker.

Mr. Barker and Commissioner Tom Shimizu toured the site last week and became opposed based on traffic concerns and aesthetics, they said. In addition, Forest Service opposition was a big factor.

"By that point the Forest Service was already backing off that site," Mr. Barker said.

The commissioners said they were told an environmental assessment the Forest Service is completing will reject the site. Since the property is within National Forest boundaries, the Forest Service will have the final say.

Mr. Shimizu said service officials' main misgivings raised in their analysis were lack of adequate traffic accessibility and "some environmental concerns" he could not detail.

Controversy over the plan last June led the County Planning Commission to add language to the master plan noting "considerable opposition from local residents" to the site. And the panel recommended if the lot were developed it should be limited to 80 stalls.

The site was favored by ski resort owners and the Utah Transit Authority, who said current roadside parking poses a significant safety hazard.

No replacement has been identified for the Little Cottonwood site, which originally had been described in the master plan as a high priority for development.

However, commissioners left the door open on new park-and-ride locations in addition to those identified in the master plan.

Sidney Fonnesbeck 'Serious,' Family Fair After Car Crash

Special to The Tribune

GRAND JUNCTION, Colo. — Former Salt Lake City Council member Sydney Fonnesbeck was in serious but stable condition Wednesday at St. Mary's Hospital following a traffic accident north of Monticello, Utah, Tuesday night.

Ms. Fonnesbeck, 46; her husband, Christian, 50, and daughter, Anna, 13, were injured when their northbound vehicle collided with a flatbed trailer loaded with military equipment on State Road 191, 3 miles north of Monticello, said state Department of Public Safety spokesman Gary Whitney.

The Fonnesbecks were transported by medical helicopter to the Grand Junction hospital, where Ms. Fonnesbeck was being treated in the intensive care unit. Mr. Fonnesbeck and Anna were in fair condition, a nursing supervisor said.

Ms. Fonnesbeck is a contract consultant for the Salt Lake City Redevelopment Agency and an adviser to a federal panel overlooking the disposition of property owned by failed savings and loans.

Mr. Whitney said investigating Utah Highway Patrol Trooper Donald Kilgrow determined later that the truck driver, Robert D. Ellenberger, 38, of Georgia, was a fugitive from Florida, where he was wanted on a parole violation. Ellenberger also allegedly was driving on a suspended Florida driver license.

Mr. Whitney said the truck driver was booked into the San Juan County Jail for violating parole and was awaiting extradition to Florida. A sheriff's dispatcher would not confirm the information.

Trooper Kilgrow said the accident occurred about 9 p.m. Tuesday after he stopped the semi north of Monticello for speeding. He also determined the truck had not been cleared to travel at night and the driver had not stopped at the Monticello port-of-entry.

Trooper Kilgrow told the driver he would have to return to the port-of-entry and it was agreed that the trooper would follow the driver to the intersection of SR 191 and Spring Creek Road. Once there, the trooper would help the driver turn the truck around.

Mr. Whitney said the trooper parked his vehicle north of the truck and had his vehicle's emergency lights flashing to warn southbound traffic of the trailer's presence.

While the trailer was across both traffic lanes, the Fonnesbeck vehicle approached from the south. The UHP trooper's flashing lights apparently were obscured by the backing truck, Mr. Whitney said, and only one side light was operating on the side of the flatbed trailer visible to the injured family.

Orton Cites 'Political Dirty Trick'

Continued From B-1

information on its own about political candidates. "That's why we didn't affirmatively take it to anyone. It wouldn't have come out if no one else had contacted us."

He said a Salt Lake City newspaper reporter asked for the information Monday and the commission released it. The decision to release it, if asked, was made last week, Commissioner Hansen said.

Meanwhile, Mr. Orton told *The Tribune* Wednesday the Snow campaign "might succeed in destroying my public reputation with these kinds of tactics, but they can't destroy my personal integrity."

"If the public wants their political leaders to get down and dirty in the mud and the stench of this kind of political campaign, then they don't want me to represent them," he said. "If I have to abandon my personal integrity and moral values to win an election, I don't want to be their congressman. If that's what they want, they ought to vote for Snow."

Dies in Davis

Special to The Tribune

CENTERVILLE — A 35-year-Farmington man was killed ea Wednesday when the bicycle he riding was hit from behind by a c

Stephan J. Bown, 1093 W. 1 North, was southbound on 800 W (the frontage road between Cen ville and Lagoon) when his bicy was struck.

The victim bounced off the wi shield and landed on his head neck, said Utah Highway Pa Trooper John Mitchell. His hel was fractured in several places.

Mr. Bown was dead on arriva Lakeview Hospital.

The car driver, Trudi Zippro, 317 E. 700 South, Farmington, police she noticed the cyclist al 150 yards in front of her. It was d and her headlights were on.

She intended to miss him, looked away for a brief moment. fore she knew it, the biker wa rectly in front of her. She didn't h time to apply her brakes before collision, police said.

Ms. Zippro testified she was t eling 55 mph. It's estimated the b clist was going about 20 mph.

The cyclist was riding about 2 from the edge of the road. Ther no bike path, but the road is a pc lar with joggers and cyclists, Mitchell said.

No charges have been filed, the case has been turned over to vis County Attorney's Office.

First Lady Rallie

Continued From B-1

ens said. "My opponent, for wl you are appearing, is now . . . tacking me for supporting your band's deficit reduction efforts."

Ms. Atwood said she expects Bush's appearance will be a sig cant boost to overcoming the inc bent in the Salt Lake County distr "It gives my race visibility, shows president cares, that the race i national consequence and tha share the values of the first lac she said.

"Individuals project to other i viduals their own values and I l Barbara Bush," Ms. Atwood s "She projects a down-hominess t I just adore."

Mrs. Bush, during her 15-min speech, was flanked by Gov. Nc Bangerter, Congressman James

Today's Weather

State Forecast

A vigorous mid-autumn trough will develop over the western states Thursday and Friday. It will usher in much colder air along with the first threat of widespread snow. The state forecast calls for much colder weather from the north and west. Periods of snow and rain are expected. Friday will much the same weather. Highs will be in the lower 50s, with lows in the mid-40s.

Expected Temperatures

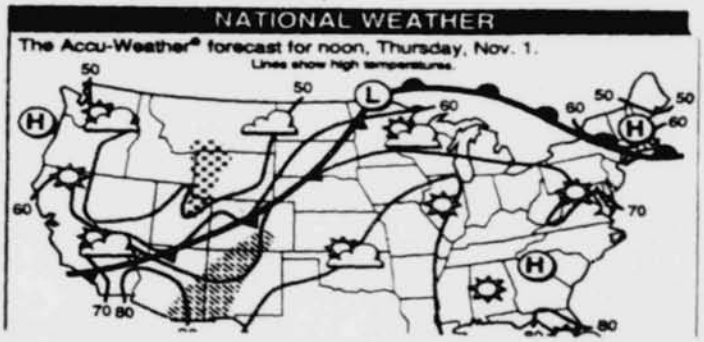
Selected forecast temperatures throughout the state (H/L): Blanding, 59/46; Cedar City, 48/45; Green River, 62/47; Logan, 43/40; Moab, 64/50; Ogden, 50/45; Provo, 52/48; Salt Lake City, 50/46; Vernal, 54/40; Wendover, 47/43; St. George, 66/54.

Air Pollution Index

NATIONAL WEATHER

The Accu-Weather® forecast for noon, Thursday, Nov. 1.

Lines show high temperatures.



N000135

STEVE OG
PRI
BLO

9704383074 3

The Daily Herald

Accent

Sunday
Oct. 14, 1990
F 1

On Karl Snow

Snow/Strand relationship

ıving been told hours ear- CPA Curt Bramble, that it early to be sure but Snow e facing a $250,000 income ıblem because his name ap- n 100,000 shares of Global ued in June of 1985.

ıble ultimately concluded tax problem does not exist there is no proof that Snow ıew the stock had been o him. At the same time, reports, there is the mat- 500,000 shares of stock in s Classic Mining. These sued in Snow's name, are ssing, and would represent ır tax problem for Snow if r turned up with his signa- them.)

how close a thing it has for Snow, who after the cket" first arrived private- ibed Strand as "just a kid I help once."

Strand put it quite nicely ı recent five-hour interview ome high on a hill above ul, "When you get Karl attention focused on some- goes at it full tilt."

ime, probably in the sum- 1983, Lyman Smart got o focus on Strand's legal peal, carried Strand's case to the attention of U.S. Solicitor General Rex E. Lee.

(Lee, now president of BYU, was at the time the federal lawyer responsible for representing the government before the Supreme Court. It fell to him to counter the "Whizzer White" stay order. Strand recalls that the government flew Walz back to Washington to brief someone in Lee's office on Strand's case. Walz, and long-time high court clerk Frank Lorson, told the Herald last week that it was done by phone.

Lee himself struggled recently to recall the incident. After a night's thought he came up, according to BYU spokesman Paul Richards, with a vague memory of someone running around Washington trying to stir up interest in Strand's case.

(That probably was Snow and it comes later in the story.)

Within weeks Strand lost his appeal and went to federal prison in Springfield, Mo. Incarceration quickly aggravated the multiple sclerosis from which Strand suffers. Ultimately, he served 63 days in prison and was released because of the effects of the disease. He says he left prison crippled, blind months. Much later, testifying under oath in 1987, Snow said he met Strand in 1983 or "Maybe '82; at the end of '82." Snow insists today that he met Strand no earlier than mid-1983.)

Snow is a student of public administration. His field is theory of government. He loves process, effective administrative organization, justice. He would have been right at home alongside John Hancock in Philadelphia at the Constitutional Convention.

Snow was outraged by what he found in the green file. So, too, apparently was his wife, Donna.

Snow campaign manager Clark Caras recalled Snow telling him how the file moved Mrs. Snow to tears. Strand recalls, "Karl came back to me and said he was very upset. He asked me — like he had invaded my privacy or something — if I minded that he had let his wife read some of the file. He said she had cried and said things like that weren't supposed to happen."

So Snow took up his cudgle for Mike Strand the smoking, cursing, coarse-grained and decidely non-Mormon husband of the beautiful Lois, daughter of Snow's good friend and former Cedar City Mayor Robert Lindford. (Lois' sister, Bobette, married Wayne Clark. Wayne's mother is Mary Clark, an officer in Strand's Classic Mining

ı very much disturbed about this case;

On Mike Strand

His once-good name sullied by a comma

By ROBB HICKEN
Herald Staff Writer

With its panoramic view of the Great Salt Lake, ı and western mo distance, Michael bly brags that ı was the highest east bench.

Now, later cor shade trees threat his view directly sun.

Strand, 47 and b his once-good nam unwanted punctuation. "I'm Michael Strand — comma — convicted felon," he complains. No matter the right and good things he did before 1978 — or after — now it's all clouded by the words that follow that comma.

Smoking insatiably, Strand responds to questions about his past with a non-stop version of his adventures as a cowboy, oil wildcatter, political insider and stock promoter.

At one time, Strand says, he was a state debating champion. Then, he recalls, he was tossed out of a tournament for drinking. He wasn't drinking, he says, it was just that he carried little liquor bottles in his three-by-five keep him off cigarettes and coffee. But it doesn't work; cracking the seeds interferes with his

shirt, corduroy leather Italian valks back and a kidney-shaped For five hours, aged animal as after story. pianist's fingers ning nails ca- pitted face as he stared blankly off into a distant time, trying to remember details about Karl Snow.

"I'm not 100 percent, still," Strand said of the multiple sclerosis that stripped 100 pounds off his once-muscular body, "but I keep it under control."

Back in 1982/83, Strand served 63 days of a six-month sentence. He was released early from prison in order to treat his affliction.

"Have you heard about the ice baths?" he asked in one of many excursions beyond the bounds of his visitors' questions. "I'm only one of a few people who have gone into remission for this," Strand said. "The doctors in the prison are curious and are examining my blood and diet to deter-

N000136

On Karl Snow

'Exploring Snow/Strand relationship

"I wish I could be angry at Mike Strand.

I'd like to be angry at Mike Strand.

I really WOULD like to be angry at Mike!

But I guess I just feel sorry for him.

(No) I am angry at Mike Strand. I AM angry at Mike Strand!"

— Karl Snow

"When you go all out for somebody and (later) they denigrate it ... that really hurts."

— Mike Strand

By EARL BIEDERMAN
Managing Editor

One problem for Republican congressional candidate Karl Snow is that he can work up anger at stock promoter Mike Strand — a political tarbaby if ever there was one — but he can't sustain it.

Instead, he seems still to view Strand as the one-time husband of the daughter of a dear friend in Cedar City. The dominant image that Snow cannot seem to shake is of Strand as a somewhat unpalatable man whose host of legal problems stem from an improperly gained tax-and-fraud conviction in 1978.

At the same time, Snow knows that Strand is among the people who were there for support when Snow ran for governor in 1984. Strand also was there (with the gift of used — and useless — lawnmower and promising penny stock opportunities) when Snow ended that year deep in debt.

And now, Strand admits that he used Karl Snow — used him without permission as a stock nominee, as a front. Further, Strand says Snow also was used as a nominee by Lyman Smart, a longtime close friend to Strand, a former BYU professor, Snow's former LDS bishop, a close friend to Snow, a First Security bank lobbyist, Democratic "bagman" — and a 1986 suicide.

The word "nominee" is important. It was the crucial allegation put forth in what watchers of the Snow/Harmer race will always recall as "the dirt packet." That packet contained an unsigned cover letter accusing Snow of having served as a Strand nominee, that is, of having let Strand use Snow's name to inflate stock values in connection with the 1985 merger of Unique Battery and Global Oil.

Snow's reaction to the allegations contained in that packet was, as reported Aug. 20 in the Deseret News, that the anonymous complaints were "laughable, completely without basis." Nine days later the Desert News followed up with a story quoting Strand saying he had had no business dealings with Snow "that he could recall" and expressing sorrow about damage his name had caused Snow's campaign. The same story quoted Strand saying he first met Snow in 1984 "when he felt sorry for the problems I'd suffered and offered to help me and my family."

The story also included, unsupported and without explanation, Strand's cryptic remark that "There was a time when being associated with my name was a good thing."

Subsequent events concerning the anonymous allegations moved Snow from feeling that the whole thing was "laughable" to one recent Saturday morning when he awoke at 3 a.m. shaking all over and wondering what the taxes would be on 100,000 shares of stock. That question was the result of Snow having been told hours earlier, by CPA Curt Bramble, that it was too early to be sure but Snow might be facing a $250,000 income tax problem because his name appears on 100,000 shares of Global stock issued in June of 1985.

(Bramble ultimately concluded that the tax problem does not exist because there is no proof that Snow ever knew the stock had been issued to him. At the same time, Bramble reports, there is the matter of 500,000 shares of stock in Strand's Classic Mining. These were issued in Snow's name, are now missing, and would represent a similar tax problem for Snow if they ever turned up with his signature on them.)

That's how close a thing it has become for Snow, who after the "dirt packet" first arrived privately described Strand as "just a kid I tried to help once."

Mike Strand put it quite nicely during a recent five-hour interview at his home high on a hill above Bountiful. "When you get Karl Snow's attention focused on something, he goes at it full tilt."

Sometime, probably in the summer of 1983, Lyman Smart got Snow to focus on Strand's legal problems. At the root of those problems was Strand's conviction in 1978 on federal charges of filing a false tax return and of fraud in the sale of securities.

That case, involving a California company called EPIC, apparently turned on the testimony of one Bruce Jensen and involved the alleged use of — here's that word again — nominee stock accounts.

Strand appealed. He is still appealing.

(During early stages of the appeal process, the government postponed filing a civil case to collect the taxes Strand had been convicted of not paying. That case, filed in late 1982, ultimately was resolved in Strand's favor; leaving him in the position of fighting to overturn a criminal conviction for not paying taxes that a court has ruled he does not need to pay.)

Along about Thanksgiving of 1982 Strand faced, for the first time, the immediate prospect of going behind federal bars. He went downstairs from his office in Salt Lake City's Boston Building to law offices shared by one of his attorneys, Frank Wilkins, and former U.S. Senator Frank "Ted" Moss.

"He said," Moss recalled recently, "that he was having to go to prison and that he could easily straighten out his problems, but not from jail."

Moss, a Democrat, picked up the phone and dialed the U.S. Supreme Court. He was trying to reach Supreme Court Justice Byron "Whizzer" White, a John F. Kennedy nominee to the nation's highest court. "I didn't get Whizzer," Moss recalled, "but I got his law clerk, whom I knew, and they issued a stay."

Temporarily, Strand had dodged prison. But the Supreme Court stay was good only until a then-looming decision in his appeal was handed down.

At that point Stuart Walz, a prosecutor in the Salt Lake U.S. Attorney's Office and the man in charge of fighting off Strand's appeal, carried Strand's case to the attention of U.S. Solicitor General Rex E. Lee.

(Lee, now president of BYU, was at the time the federal lawyer responsible for representing the government before the Supreme Court. It fell to him to counter the "Whizzer White" stay order. Strand recalls that the government flew Walz back to Washington to brief someone in Lee's office on Strand's case. Walz, and long-time high court clerk Frank Lorson, told the Herald last week that it was done by phone.)

Lee himself struggled recently to recall the incident. After a night's thought he came up, according to BYU spokesman Paul Richards, with a vague memory of someone running around Washington trying to stir up interest in Strand's case.

(That probably was Snow and it comes later in the story.)

Within weeks Strand lost his appeal and went to federal prison in Springfield, Mo. Incarceration quickly aggravated the multiple sclerosis from which Strand suffers. Ultimately, he served 63 days in prison and was released because of the effects of the disease. He says he left prison crippled, blind and facing death.

> **I am very much disturbed about this case; ... there appears to have been a deliberate attempt ... to 'mold' evidence ...**
>
> **— Karl Snow**

(One of the accusations made against Snow at the end of the primary race was that he had gotten Strand out of prison. "No," said Snow, "that was (U.S. Senator Orrin) Hatch."

Asked about that, Hatch aides recently reported searching far and wide within their records and files and coming up almost empty. Aides Paul Smith and Kevin McGuinness said they found no record of any request for Hatch to intercede for Strand and no record that Hatch had done so. Smith said the senator might have done something but no record could be found. McGuinness said he checked with former Hatch aides and turned up a vague oral memory that Hatch may have done something for Strand.

Strand told the Herald that the Hatch aide to whom he once turned for help was Dee Benson. Benson is now U.S. Attorney for Utah and the man overseeing Walz' continuing battles against Strand's continuing appeals. Benson says he did not deal with Strand; it may have been a predecessor on Hatch's staff.)

Strand says it was his good friend Lyman Smart who got Snow involved in Strand's legal battle. "It was a long weekend, the 4th of July or the 24th," he said, "and Snow was to have lunch with Lyman. Snow was meeting Lyman outside my office. I walked down with Lyman, met Snow, and they went to lunch."

At that lunch, Smart asked Snow to read "the green file" a document then being compiled by Strand's attorneys consisting largely of evidence favorable to Strand allegedly hidden by the government at the 1978 trial.

(This Smart/Snow lunch apparently took place in July 1983. Snow on Saturday reviewed old calendars and found the entry "lunch with Lyman" associated with a special legislative session called in late July of that year. In July 1983 Strand had been out of prison five months. Much later, testifying under oath in 1987, Snow said he met Strand in 1983 or "Maybe '82, at the end of '82." Snow insists today that he met Strand no earlier than mid-1983.)

Snow is a student of public administration. His field is theory of government. He loves process, effective administrative organization, justice. He would have been right at home alongside John Hancock in Philadelphia at the Constitutional Convention.

Snow was outraged by what he found in the green file. So, too, apparently was his wife, Donna.

Snow campaign manager Clark Caras recalled Snow telling him how the file moved Mrs. Snow to tears. Strand recalls, "Karl came back to me and said he was very upset. He asked me — like he had invaded my privacy or something — if I minded that he had let his wife read some of the file. He said she had cried and said things like that weren't supposed to happen."

So Snow took up his cudgle for Mike Strand the smoking, cursing, coarse-grained and decidely non-Mormon husband of the beautiful Lois, daughter of Snow's good friend and former Cedar City Mayor Robert Lindford. (Lois' sister, Bobette, married Wayne Clark. Wayne's mother is Mary Clark, an officer in Strand's Classic Mining and the primary social companion of twice-married Lyman Smart in the months before Smart's death.)

The earliest document concerning Snow's efforts to get Strand's case reviewed is a Sept. 17, 1984 letter on Utah Senate letterhead to U.S. Attorney Brent Ward. The letter refers to a recent meeting and advises Ward "I am very much disturbed about the handling of this case; not only because I believe there has been a miscarriage of justice, but also there appears to have been a deliberate attempt on the part of certain Internal Revenue Service officials to 'mold' evidence and otherwise withhold exculpatory materials."

Snow went on to say that his review of the green file had left him with "heartburn." He says he normally tries to avoid such requests for intervention but "... I intend to pursue this matter, my interest in good government won't let me walk away from this one."

Snow copied the letter to Sen. Orrin Hatch and to Rex E. Lee, Solicitor General.

The letters, cited in 1987 court records and released to the Herald by the U.S. Attorney's office last week, went back and forth for six months. Ward argued that Strand's attorneys may have missed the "new" evidence at trial. He called Snow's allegation that the government had "framed" Strand "an affront to the best efforts of honest, hard-working employees at the IRS."

Each Ward response provoked a firm, more detailed answer from Snow. In a letter dated March 27, 1985, Snow tells Ward "I stand aghast at this (a government) assertion." He copied that letter to Hatch, but not to Lee.

The September 1984 to April 1985 Snow/Ward correspondence coincides closely with Snow's involvement in the Unique Battery/Global merger. Snow became interested in the battery company late in 1984 and by May of 1985 he had severed ties to the company because many of the battery company's investors were polygamists. Snow on Saturday said he finds that coincidence "ironic."

Ward's final letter to Snow is curt and only three sentences long.

(See SNOW, Page F3)

On Mike Stra

His once-go sullied by a

By ROBB HICKEN
Herald Staff Writer

With its panoramic view of the Great Salt Lake, [illegible] and western mo[illegible] distance, Michael [illegible] bly brags that [illegible] was the highest east bench.

Now, later cor[illegible] shade trees threa[illegible] his view directly sun.

Strand, 47 and t[illegible] his once-good nat[illegible] unwanted punctuation. "I'm Michael Strand — comma — convicted felon," he complains. No matter the right and good things he did before 1978 — or after — now it's all clouded by the words that follow that comma.

Smoking insatiably, Strand responds to questions about his past with a non-stop version of his adventures as a cowboy, oil wildcatter, political insider and stock promoter.

At one time, Strand says, he was a state debating champion. Then, he recalls, he was tossed out of a tournament for drinking. He wasn't drinking, he says, it was just that he carried little liquor bottles in his three-by-five card box — for the hell of it.

At another time he was the richest teen-ager in the state, owner and operator of Pony Haven, a tourist-oriented horse-rental business.

An opportunist, he tore down weathered buildings to get the lumber to construct buildings of just the right character on the Main Street of his frontier town.

For a while there, he says, people waited up to six hours for a ride on his critters.

Young Strand, an entrepreneur in the making, realized early on the financial rewards of walking a fine ethical line. He bought perfectly good but cloudy fountain drinks from a local bottling company, mixed them together, poured it into fancy bottles, capped them with his own name-brand bottle cap, and sold it as sarsaparilla.

"That way I was making pure profit," he said.

His rodeo career was a spin-off from his pony company.

"One day I decided to try it (bull riding), and I found out that I could ride as good as any of those professional riders," he said.

Following one extraordinary bull ride, Strand said, he turned to bow to the audience. He was, he admits, a bit of a show-off. As he bowed, he heard the thumping of hoofs at his back, and turned in time to catch the head of the bull in his stomach.

"I had four hernias that grew together," he said pointing to an eight-inch vertical scar visible on the bare abdomen beneath his unbuttoned red Bugle Boy shirt. "It looked a lot worse than this until last year when I had it cut out." He produces a picture to prove it.

Strand's injuries were not limited to his stomach. He also calmly points out that he has a six-inch scar on his knee.

High above the scars, his neatly combed jet-black hair and clean-shaven face seemed to conflict with the casual attire in which he was caught by an unexpected interview.

He offers visitors coffee, sunflower seeds, and fig newton bars. The seeds are supposed to

N000137

SNOW:

(Continued from F1)

The last reads: "As far as I am concerned, this case is closed."

In the months thereafter, Snow recalls, he took his battle to get Strand's case reviewed to Washington DC.

Sometime in 1985 Snow visited Washington and talked his way into the Office of Professional Responsibility within the Department of Justice. The OPR amounted until recently to the internal affairs division of the justice department. It's chief, who has held that post since 1975, was and is Michael Shaheen.

Snow recalled Saturday that he spent the better part of an afternoon with Shaheen "and two gentlemen." Snow's goal was to persuade Shaheen to investigate the government's handling of evidence in Strand's trial. Shaheen concluded, Snow recalls, that Snow's presentation called for an OPR investigation. But, Snow said, "I don't think they ever did it."

The Daily Herald tried to reach Shaheen and ran into a stone wall. Snow himself tried on Friday and got a similar result. Salt Lake prosecutor Walz says the OPR investigation was in fact done. Snow says he thinks that what Walz considers the investigation was only a preliminary inquiry conducted by Shaheen.)

Sometime, possibly in March 1984 following that year's legislative session, Snow decided to run for governor. Snow recalls that Smart, a vice-president and legislative lobbyist for First Security Bank in Salt Lake, tantalized him at length about Strand's legal problems, possibly during that legislative session.

Snow ran for governor but lost out to Dan Marriott and Norm Bangerter at the June convention. Strand's support for Snow in that race has generally been reported as "donations in kind, specifically, parties and pony rides." In fact, Snow's campaign disclosure documents reveal that support from Strand, Smart, and their circle of Democratic friends and family, in cash and donations totaled more than $8,000 — around 10 percent of Snow's campaign receipts.

Strand today says that anyone who got close to him, in the days when his parents were alive, had to meet Millie and Vern Strand. He recalls his mother as Mrs. Democrat, Davis County.

Strand says "Karl and Donna" visited his folks' home in Bountiful only once or twice. Karl was impressed, Strand says, at the way the wheelchair-bound Mrs. Strand kept her paralyzed, bed-ridden husband in the front room and at the center of family activities.

Smart, however, visited the Strands frequently during that race, Strand recalls. Together the foursome would sit around plotting tactics for Karl's race.

"You know," Strand recalls his mother saying, "Karl should do this . . . Karl should do that." And then she would work with her husband to make phone calls, contacts and arrangements.

Strand describes himself and Smart at the time as "a couple of political hacks" and adds that Smart "had a job in First Security Bank's department of intrigue."

After the GOP convention in June, Snow and Marriott teamed up for the primary with Marriott running for governor and Snow for Lt. Governor. Both carried pre-convention campaign debts. They agreed that after the primary, win or lose, a fund-raising dinner would be held. They lost to Bangerter/Oveson in the August primary and the fund-raiser never took place.

Snow told the Herald recently that he was $25,000 in debt after his governor's race. He produced old correspondence with Marriott to prove it.

On Feb. 7, 1985, Marriott wrote to Snow saying, "As you know, we were left with a very substantial campaign debt that we must liquidate. This debt was greater than either of us imagined it would be." On Feb. 18, Snow replied and referred to ". . . my debt here which totals $25,000."

Six months earlier, as the full extent of Snow's looming campaign debts were becoming apparent, two things happened concerning Strand, Snow, — and Unique Battery.

On Aug. 7, Snow paid Strand $15,000 for shares in Strand's Classic Mining. The same day he paid an additional $3,000 out of a joint account with his mother, Wanda. Over the following five weeks, Snow gave Strand nine more checks totalling $15,000 for still more Classic stock.

Classic at that time was moving up in value because it had gained control of oil-drilling leases in Wyoming's Overland Dome field. The Union Pacific railroad later took the leases back in an unforeseen court maneuver.

(In mid-1984, Strand seems to have been introduced to John Darger, a polygamist marketing man who was looking for a way to take his company, Unique Battery, public. According to later Darger testimony, Strand said he had several companies that could merge with U.B. Darger said Strand ultimately chose Global Oil for the purpose. Strand, however, recently insisted to the Herald that he never met Darger until early February 1985.)

Sometime in the winter of 1984, not long after sending his first letter to Brent Ward, Snow visited the Unique Battery manufacturing plant with the battery's inventor, Ron Sorth. The "unique" thing about Sorth's brainchild was not the battery but the liquid electrolyte inside: it did not give off gas and so would not explode. Many people today recall the battery as a promising product.

Darger and Strand — who today point accusing fingers at each other — agree that Strand suggested it would be good for the new company to have board members like Karl Snow and Lyman Smart. Along about year's end, the plan was to have Karl Snow on the board of directors and to give him 100,000 shares of stock in the post-merger battery firm to be called Global Oil.

In order for Snow to avoid taxes on the Global shares he would get for being a director, he was given (on paper) shares of Unique that could be transferred for shares in the new company.

In January and February, Snow recalls, he went to a broker and paid $19,000 for shares of Global Oil "because it was about to merge with the battery company."

Snow's signature, the validity of which he does not dispute, appears among the "sellers" of Unique Battery on a merger plan dated Feb. 5, 1985. The date of the merger meeting was Feb. 25. Minutes of that meeting, part of the infamous "dirt packet," show a "Carl Snow" elected as a director.

Snow says he did not attend that meeting or any other meeting held in connection with the merger. Darger told the Herald that may, in fact, be true. "But," Darger said, "Strand had Snow right there on the phone line keeping him filled in on what was going on." Both Strand and Snow deny that.

On March 27, Snow wrote his final and strongest letter to Brent Ward. The next day, according to minutes in the "dirt packet," Darger met with Sorth and "Carl Snow" and elected Snow as vice-president of the merged Global Oil, and changed its name to Unique Industries.

Unfortunately, as it turned out for Darger and Sorth, no one ever recorded with the state securities division legal documents creating either the merged Global or the new Unique Industries.

Darger, newly named president of a non-existent company, spent much of the year trying to get issued the Global shares that Unique's investors expected to receive after the merger.

"There I was," he told the Herald, "CEO of the company and (they) would not issue the shares without first calling Strand."

On June 28, under Darger's pressure, Atlas Stock Transfer Company issued 10 million shares in the "merged" Global. Darger carried away the shares belonging to Unique Battery investors. The rest, including the 100,000 shares issued to Karl Snow, were left behind at Atlas Transfer.

Snow says he never knew the stock was issued. The CPA, Bramble, failed to turn up evidence that Snow is wrong about that. Sometime before June, probably in May, Snow claims to have walked out of the merger. He admits having been offered a directorship and 100,000 shares of stock, but said two things intervened: approval by his employer, BYU, and that Darger and the primary Unique investors were polygamists.

"There was no way," he said recently, "that working for BYU I could be in business with polygamists."

In December 1985, Darger testified later, Sorth confronted Strand and learned that Strand, not Darger and Sorth, controlled Global Oil. Sorth resigned and sent copies of his resignation to Darger, to "Carl Snow, VP" and others.

On Feb. 7, 1986, a meeting was held among stockholders of the old pre-merger Global Oil, according to Strand, "to reconstitute the company after Darger trashed it." Karl Snow's signature appears on the minutes of that meeting as a shareholder in Global, which he was, but Strand recently told the Herald that he, not Snow, probably wrote that signature.

Later, in August, the shattered Unique Battery stockholders filed suit trying to reclaim something from the wreckage of the failed merger. A countersuit followed.

Karl Snow has asked from the outset, "If I was a stockholder (in the Unique/Global merger) why was I never named a defendant in the suits?"

The answer is that Snow, and others who were allocated stock in the merged company, surrendered that stock back to Global to avoid being sued. Snow's 100,000 shares apparently never left Atlas' (or Strand's) safe. The certificate for those shares was conveyed "back" to Global with a power of attorney, signed by Snow, attached and left with Strand on some uncertain occasion.

Today Karl Snow, and his family, still hold some 350,000 shares of Classic Mining. "Recently," he said Saturday, "it was up to 4 cents."

STRAND:

(Continued fro

"Karl didn't
that was going o
"The stock that
name remained
Kimball (at Atla
Company)."

Strand added t
used Snow's nam
account, but said
dent that any st
Snow's account.

"I bought any existing st

Heart Attack.
Fight it with a
Memorial gift to
the American
Heart Association.

THE AMERICAN HEART
ASSOCIATION
MEMORIAL PROGRAM.

American Heart Association

This space provided as a public service

Anni
Sale



CYM
The Ultimate Swiss
Everyth
up to

100 N. University Ave.
Provo, Utah

60
I E

Sale For Limited Time

N000138

little tikes

ShopKo is your place for
big savings on Little Tikes®



9704383074 5

Snow having been told hours earPA Curt Bramble, that it arly to be sure but Snow facing a $250,000 income em because his name ap- 100,000 shares of Global ued in June of 1985. ible ultimately concluded tax problem does not exist there is no proof that Snow new the stock had been to him. At the same time, ...e reports, there is the matter of 500,000 shares of stock in Strand's Classic Mining. These were issued in Snow's name, are now missing, and would represent a similar tax problem for Snow if they ever turned up with his signature on them.)

That's how close a thing it has become for Snow, who after the "dirt packet" first arrived privately described Strand as "just a kid I tried to help once."

Mike Strand put it quite nicely during a recent five-hour interview at his home high on a hill above Bountiful, "When you get Karl Snow's attention focused on something, he goes at it full tilt."

Sometime, probably in the summer of 1983, Lyman Smart got Snow to focus on Strand's legal peal, carried Strand's case to the attention of U.S. Solicitor General Rex E. Lee.

(Lee, now president of BYU, was at the time the federal lawyer responsible for representing the government before the Supreme Court. It fell to him to counter the "Whizzer White" stay order. Strand recalls that the government flew Walz back to Washington to brief someone in Lee's office on Strand's case. Walz, and long-time high court clerk Frank Lorson, told the Herald last week that it was done by phone.

Lee himself struggled recently to recall the incident. After a night's thought he came up, according to BYU spokesman Paul Richards, with a vague memory of someone running around Washington trying to stir up interest in Strand's case.

(That probably was Snow and it comes later in the story.)

Within weeks Strand lost his appeal and went to federal prison in Springfield, Mo. Incarceration quickly aggravated the multiple sclerosis from which Strand suffers. Ultimately, he served 63 days in prison and was released because of the effects of the disease. He says he left prison crippled, blind

I am very much disturbed about this case; ... there appears to have been a deliberate attempt ... to 'mold' evidence ...

— Karl Snow

problems. At the root of those problems was Strand's conviction in 1978 on federal charges of filing a false tax return and of fraud in the sale of securities.

That case, involving a California company called EPIC, apparently turned on the testimony of one Bruce Jensen and involved the alleged use of — here's that word again — nominee stock accounts.

Strand appealed. He is still appealing.

(During early stages of the appeal process, the government postponed filing a civil case to collect the taxes Strand had been convicted of not paying. That case, filed in late 1982, ultimately was resolved in Strand's favor; leaving him in the position of fighting to overturn a criminal conviction for not paying taxes that a court has ruled he does not need to pay.)

Along about Thanksgiving of 1982 Strand faced, for the first time, the immediate prospect of going behind federal bars. He went downstairs from his office in Salt Lake City's Boston Building to law offices shared by one of his attorneys, Frank Wilkins, and former U.S. Senator Frank "Ted" Moss.

"He said," Moss recalled recently, "that he was having to go to prison and that he could easily straighten out his problems, but not from jail."

Moss, a Democrat, picked up the phone and dialed the U.S. Supreme Court. He was trying to reach Supreme Court Justice Byron "Whizzer" White, a John F. Kennedy nominee to the nation's highest court. "I didn't get Whizzer," Moss recalled, "but I got his law clerk, whom I knew, and they issued a stay."

Temporarily, Strand had dodged prison. But the Supreme Court stay was good only until a then-looming decision in his appeal was handed down.

At that point Stuart Walz, a prosecutor in the Salt Lake U.S. Attorney's Office and the man in charge of fighting off Strand's appeal and facing death.

(One of the accusations made against Snow at the end of the primary race was that he had gotten Strand out of prison. "No," said Snow, "that was (U.S. Senator Orrin) Hatch."

Asked about that, Hatch aides recently reported searching far and wide within their records and files and coming up almost empty. Aides Paul Smith and Kevin McGuinness said they found no record of any request for Hatch to intercede for Strand and no record that Hatch had done so. Smith said the senator might have done something but no record could be found. McGuinness said he checked with former Hatch aides and turned up a vague oral memory that Hatch may have done something for Strand.

Strand told the Herald that the Hatch aide to whom he once turned for help was Dee Benson. Benson is now U.S. Attorney for Utah and the man overseeing Walz' continuing battles against Strand's continuing appeals. Benson says he did not deal with Strand, it may have been a predecessor on Hatch's staff.)

Strand says it was his good friend Lyman Smart who got Snow involved in Strand's legal battle. "It was a long weekend, the 4th of July or the 24th," he said, "and Snow was to have lunch with Lyman. Snow was meeting Lyman outside my office. I walked down with Lyman, met Snow, and they went to lunch."

At that lunch, Smart asked Snow to read "the green file" a document then being compiled by Strand's attorneys consisting largely of evidence favorable to Strand allegedly hidden by the government at the 1978 trial.

(This Smart/Snow lunch apparently took place in July 1983. Snow on Saturday reviewed old calendars and found the entry "lunch with Lyman" associated with a special legislative session called in late July of that year. In July 1983 Strand had been out of prison five months. Much later, testifying under oath in 1987, Snow said he met Strand in 1983 or "Maybe '82," at the end of '82." Snow insists today that he met Strand no earlier than mid-1983.)

Snow is a student of public administration. His field is theory of government. He loves process, effective administrative organization, justice. He would have been right at home alongside John Hancock in Philadelphia at the Constitutional Convention.

Snow was outraged by what he found in the green file. So, too, apparently was his wife, Donna.

Snow campaign manager Clark Caras recalled Snow telling him how the file moved Mrs. Snow to tears. Strand recalls, "Karl came back to me and said he was very upset. He asked me — like he had invaded my privacy or something — if I minded that he had let his wife read some of the file. He said she had cried and said things like that weren't supposed to happen."

So Snow took up his cudgle for Mike Strand the smoking, cursing, coarse-grained and decidely non-Mormon husband of the beautiful Lois, daughter of Snow's good friend and former Cedar City Mayor Robert Lindford. (Lois' sister, Bobette, married Wayn Clark. Wayne's mother is Mary Clark, an officer in Strand's Classic Mining and the primary social companion of twice-married Lyman Smart in the months before Smart's death.)

The earliest document concerning Snow's efforts to get Strand's case reviewed is a Sept. 17, 1984 letter on Utah Senate letterhead to U.S. Attorney Brent Ward. The letter refers to a recent meeting and advises Ward "I am very much disturbed about the handling of this case; not only because I believe there has been a miscarriage of justice, but also there appears to have been a deliberate attempt on the part of certain Internal Revenue Service officials to 'mold' evidence and otherwise withhold exculpatory materials."

Snow went on to say that his review of the green file had left him with "heartburn." He says he normally tries to avoid such requests for intervention but "... I intend to pursue this matter, my interest in good government won't let me walk away from this one."

Snow copied the letter to Sen. Orrin Hatch and to Rex E. Lee, Solicitor General.

The letters, cited in 1987 court records and released to the Herald by the U.S. Attorney's office last week, went back and forth for six months. Ward argued that Strand's attorneys may have missed the "new" evidence at trial. He called Snow's allegation that the government had "framed" Strand "an affront to the best efforts of honest, hard-working employees at the IRS."

Each Ward response provoked a firm, more detailed answer from Snow. In a letter dated March 27, 1985, Snow tells Ward "I stand aghast at this (a government) assertion." He copied that letter to Hatch, but not to Lee.

(The September 1984 to April 1985 Snow/Ward correspondence coincides closely with Snow's involvement in the Unique Battery/Global merger. Snow became interested in the battery company late in 1984 and by May of 1985 he had severed ties to the company because many of the battery company's investors were polygamists. Snow on Saturday said he finds that coincidence "ironic.")

Ward's final letter to Snow is curt and only three sentences long.

(See SNOW, Page F8)

ullied by a comma

By ROBB HICKEN
Herald Staff Writer

With its panoramic view of the Great Salt Lake, the valley below and western mountains in the distance, Michael Strand justifiably brags that his house once was the highest on Bountiful's east bench.

Now, later corners and their shade trees threaten to obliterate his view directly into the setting sun.

Strand, 47 and bitter, jokes that his once-good name now carries unwanted punctuation. "I'm Michael Strand — comma — convicted felon," he complains. No matter the right and good things he did before 1978 — or after — now it's all clouded by the words that follow that comma.

Smoking insatiably, Strand responds to questions about his past with a non-stop version of his adventures as a cowboy, oil wildcatter, political insider and stock promoter.

At one time, Strand says, he was a state debating champion. Then, he recalls, he was tossed out of a tournament for drinking. He wasn't drinking, he says, it was just that he carried little liquor bottles in his three-by-five card box — for the hell of it.

At another time he was the richest teen-ager in the state, owner and operator of Pony Haven, a tourist-oriented horse-rental business.

An opportunist, he tore down weathered buildings to get the lumber to construct buildings of just the right character on the Main Street of his frontier town.

For a while there, he says, people waited up to six hours for a ride on his critters.

Young Strand, an entrepreneur in the making, realized early on the financial rewards of walking a fine ethical line. He bought perfectly good but cloudy fountain drinks from a local bottling company, mixed them together, poured it into fancy bottles, capped them with his own name-brand bottle cap, and sold it as sarsaparilla.

"That way I was making pure profit," he said.

His rodeo career was a spin-off from his pony company.

"One day I decided to try it (bull riding), and I found out that I could ride as good as any of those professional riders," he said.

Following one extraordinary bull ride, Strand said, he turned to bow to the audience. He was, he admits, a bit of a show-off. As he bowed, he heard the thumping of hoofs at his back, and turned in time to catch the head of the bull in his stomach.

"I had four hernias that grew together," he said pointing to an eight-inch vertical scar visible on the bare abdomen beneath his unbuttoned red Bugle Boy shirt. "It looked a lot worse than this until last year when I had it cut out." He produces a picture to prove it.

Strand's injuries were not limited to his stomach. He also calmly points out that he has a six-inch scar on his knee.

High above the scars, his neatly combed jet-black hair and clean-shaven face seemed to conflict with the casual attire in which he was caught by an unexpected interview.

He offers visitors coffee, sunflower seeds, and fig newton bars. The seeds are supposed to keep him off cigarettes and coffee. But it doesn't work; cracking the seeds interferes with his talking.

Clad in the red shirt, corduroy shorts and blue leather Italian loafers, Strand walks back and forth in front of a kidney-shaped kitchen counter. For five hours, he paces like a caged animal as he recounts story after story.

Long, slender, pianist's fingers tipped by gleaming nails caressed a rugged, pitted face as he stared blankly off into a distant time, trying to remember details about Karl Snow.

"I'm not 100 percent, still," Strand said of the multiple sclerosis that stripped 100 pounds off his once-muscular body, "but I keep it under control."

Back in 1982-83, Strand served 63 days of a six-month sentence. He was released early from prison in order to treat his affliction.

"Have you heard about the ice baths?" he asked in one of many excursions beyond the bounds of his visitors' questions. "I'm only one of a few people who have gone into remission for this," Strand said. "The doctors in the prison are curious and are examining my blood and diet to determine why I am recovering."

Strand opens the door to a conservatively small backyard. One side of the yard is a covered greenhouse with a large swimming pool and two hot tubs — one full of gravel because of a broken pipe and the other supposedly full of 35-degree water. Except on this afternoon the water is 60 degrees. "I just finished coiling the hose; I filled it up just before you got here," Strand explained.

"This is why I'm getting better," he said, as he swirled his hand inside the cold tub. "I soak in 35-degree water for half-an-hour daily to control my MS."

Back in the kitchen, Strand pours a second cup of coffee, and draws deeply on his eighth cigarette in an hour's time.

Now, about Karl Snow.

Strand grumbled that the MS causes his mental capacities to slow between 2 and 6 p.m., and then related that he first met Karl Snow during his now decade-long battle with the federal court system.

"There was a file of papers," he said, simultaneously indicating with his hands a depth of about 8 inches, "which were never included in my trial."

This file earned the name "the green file." Strand claimed that this evidence would ultimately have proven the legitimacy of the "false" tax form that got him convicted.

"This was the file that Karl looked at," he said, rubbing his round, clean-shaven face — a large gold ring on his left hand seeming somewhat out of place but comfortable in company with the gold link necklace swooping down toward the eight-inch scar on his belly.

"Lyman (Smart) asked him (Snow) to look at it and he did."

"Karl also purchased some stocks in the companies I was promoting, but we never really were in business together," he said.

Strand insists that Snow was never a board member of Global Oil or that he was all that closely involved in its failed merger with Unique Battery.

(See STRAND, Page F8)

On the Environment

N000139

na may need to be reformed, but not banned

tery but the liquid electro-
ide; it did not give off gas
would not explode. Many
oday recall the battery as a
ng product.
r and Strand — who today
cusing fingers at each oth-
gree that Strand suggested
d be good for the new
y to have board members
l Snow and Lyman Smart.
bout year's end, the plan
have Karl Snow on the
f directors and to give him
shares of stock in the post-
battery firm to be called
Oil.
ler for Snow to avoid taxes
Global shares he would get
g a director, he was given
per) shares of Unique that
e transferred for shares in
company.
nuary and February, Snow
he went to a broker and
9,000 for shares of Global
cause it was about to merge
e battery company."
's signature, the validity of
ne does not dispute, appears
the "sellers" of Unique
on a merger plan dated
5, 1985. The date of the
meeting was Feb. 25. Min-
that meeting, part of the
us "dirt packet," show a
Snow" elected as a director.
says he did not attend that
g or any other meeting held
nection with the merger.
told the Herald that may,
be true. "But," Darger
Strand had Snow right there
phone line keeping him
n on what was going on."
rand and Snow deny that.
March 27, Snow wrote his
d strongest letter to Brent
The next day, according to
in the "dirt packet," Dar-
et with Sorth and "Carl
and elected Snow as vice-
nt of the merged Global Oil,
anged its name to Unique
es.
tunately, as it turned out
ger and Sorth, no one ever
d with the state securities
legal documents creating
the merged Global or the
ique Industries.
er, newly named president
on-existent company, spent
of the year trying to get
the Global shares that
's investors expected to re-
fter the merger.
re I was," he told the Her-
CEO of the company and
would not issue the shares
first calling Strand."
une 28, under Darger's pres-
Atlas Stock Transfer Compa-
ed 10 million shares in the
stock was issued. The CPA, Bramble, failed to turn up evidence that Snow is wrong about that. Sometime before June, probably in May, Snow claims to have walked out of the merger. He admits having been offered a directorship and 100,000 shares of stock, but said two things intervened: approval by his employer, BYU, and that Darger and the primary Unique investors were polygamists.

"There was no way," he said recently, "that working for BYU I could be in business with polygamists."

In December 1985, Darger testified later, Sorth confronted Strand and learned that Strand, not Darger and Sorth, controlled Global Oil. Sorth resigned and sent copies of his resignation to Darger, to "Carl Snow, VP" and others.

On Feb. 7, 1986, a meeting was held among stockholders of the old pre-merger Global Oil, according to Strand, "to reconstitute the company after Darger trashed it." Karl Snow's signature appears on the minutes of that meeting as a shareholder in Global, which he was, but Strand recently told the Herald that he, not Snow, probably wrote that signature.

Later, in August, the shattered Unique Battery stockholders filed suit trying to reclaim something from the wreckage of the failed merger. A countersuit followed.

Karl Snow has asked from the outset, "If I was a stockholder (in the Unique/Global merger) why was I never named a defendant in the suits?"

The answer is that Snow, and others who were allocated stock in the merged company, surrendered that stock back to Global to avoid being sued. Snow's 100,000 shares apparently never left Atlas' (or Strand's) safe. The certificate for those shares was conveyed "back" to Global with a power of attorney, signed by Snow, attached and left with Strand on some uncertain occasion.

Today Karl Snow, and his family, still hold some 350,000 shares of Classic Mining. "Recently," he said Saturday, "it was up to 4 cents."

Heart Attack.
Fight it with a
Memorial gift to
the American
Heart Association.

THE AMERICAN HEART
ASSOCIATION

STRAND:

(Continued from Page F1)

"Karl didn't know anything that was going on," Strand said. "The stock that was issued in his name remained with (Frank) Kimball (at Atlas Stock Transfer Company)."

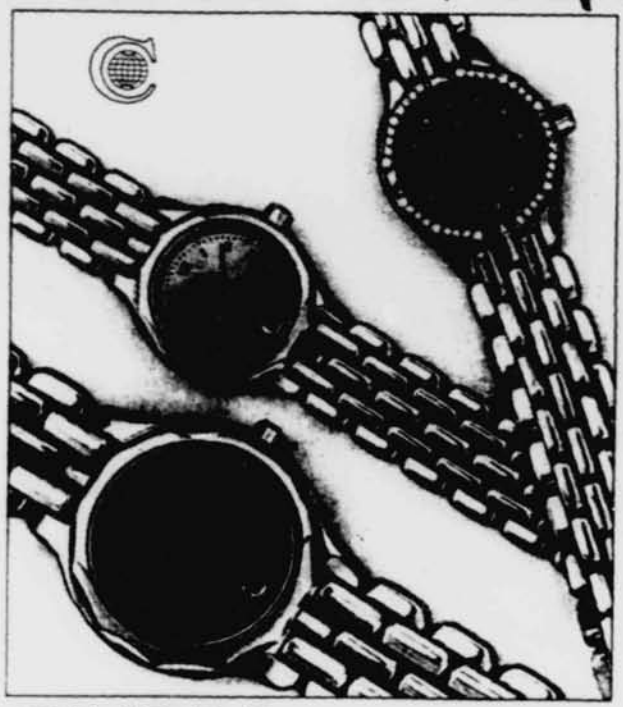
Strand added that he may have used Snow's name as a nominee account, but said it was an accident that any stock was left in Snow's account.

"I bought any existing stock that was not transferred back to Global Oil," he said.

Strand admitted that he was the one that suggested giving the officers of the company an additional 100,000 shares of stock.

"Karl never had any management responsibilities. He told us that he would have to check with the university before he could accept. But, I think he didn't want to get involved with the polygamists."

Anniversary
Sales Event



CYMA

The Ultimate Swiss Timepiece Since 1862

Everything In - Store
up to 50% OFF

Goldsmith Co.

375-5220

N000140

Light a better fire with natural gas.
9 7 0 4 3 8 3 0 7 4 8

The Daily Herald

Tuesday
Oct. 16, 1990

"We are all born mad. Some of us remain so."
— Samuel Beckett, Irish author (1906-1989)

Opinions

Nuclear nightmare; overdue reparation

Herald comment

At least two radiation related stories have crossed the news wires this week. They serve as a reminder that the federal government sometimes places expediency over the safety of citizens.

The first story told of President Bush changing his mind and signing a landmark bill providing compensation to uranium miners and western residents who became ill from exposure to open air nuclear weapons tests conducted by the government. Bush had said earlier he would allow the measure to become law without his signature.

The compensation bill will provide apologies as well as reparation from the government to victims and their families who were affected by nuclear tests. The tragic lesson learned from the open air tests and the aftermath of the fallout is that some government officials are not above lying to American citizens, even in matters of life and death. Of course, this only comes as a surprise to the most naive and trusting among us.

Meanwhile, some 828 dead dogs, the remains of a bizarre Cold War radiation experiment, were shipped to the Hanford nuclear reservation in Washington state for burial last month. To follow will be 17.5 tons of their radioactive excrement.

The reservation already is a repository for millions of gallons of radioactive wastes left over from decades of nuclear weapons production.

The dead beagles were buried in trenches at Hanford a few weeks ago. They had been stored in freezers at the Institute of Toxicology and Environmental Health on the University of California-Davis campus.

The beagle burial closes, we hope, a sordid chapter in government efforts to test the effects of radiation and radioactive fallout. The old Atomic Energy Commission, now known as the Nuclear Regulatory Commission, had several West Coast universities conduct animal experiments in the late 1950s, during the same era that spawned numerous low-budget movies about insects and people turned into monsters by radiation.

Universities were involved in several controversial experiments in that era. One Atomic Energy Commission-funded project beamed X-rays into the testicles of state prisoners in Washington and Oregon in the 1960s to learn whether heavy radiation made them sterile.

The beagle project compared canine reaction to certain radioactive particles. Even after death, the dogs were radioactive. Strontium, an extremely toxic substance used in the tests, loses half its radioactivity every 27.7 years.

Utah's delegation to Congress should be commended for their efforts over the years to finally drag a measure of justice out of Washington. We urge our senators and representatives to fight, now and always, for honest answers, and genuine concern for people from all branches of government and the military.

We urge them to fight diligently any attempts to turn Utah into a nuclear waste dump. We don't want or need to be like the Hanford area and become a repository for dog doo-doo which glows in the dark.

Finally, let them insist there never be another above ground test. We know that radiation kills. It must never again be allowed to fall on unknowing civilians. Trusting the government should not be a fatal mistake.



All look like losers in budget debate



Walter Mears

ASSOCIATED PRESS COLUMNIST

WASHINGTON (AP) — Reading President Bush's lips was a lot easier than reading his mind about taxes, as demonstrated in his on-off switch on a bargain to boost the top income tax rate.

After raising the possibility, Bush hedged, reopened, hedged, and, for a while, seemed to be enjoying the confusion before he finally said no deal.

That stirred up the chronic factional strife in Congress, and within the Republican minority, escalated the discord over an assortment of rival budget plans and threats.

The White House and Congress, Republi

There certainly was no game plan showing last week when Bush reopened the old idea of swapping an increase in the top tax

the left that we cannot accept," Bush said.

He didn't say why he restarted the pursuit.

While the capital gains tax he wanted is out of the bidding, the higher income tax rate he vehemently opposes is not. House Democratic tax-writers are pushing a top rate of 33 percent to apply to all upper-income taxpayers.

Quayle says the administration is violently opposed. Bush would be almost certain to veto a budget that included the upper-income tax boost.

The Democrats are using the tax dispute in an attempt to depict Republicans as the

Letters

N0001141

axing problem

itor:
Psychiatrists and psychologists describe a enomenon known as cognitive dissonance. is the ability of the human mind to associate or uncouple the relationship ween cause and effect. An example is the oker, who despite overwhelming and inputable evidence about the ravages of oking, knows that only other people will ally be affected; he is immune. From ne of the previous letters to the editor, it pears more than a few of the voters may suffering from this same malady.

First, a little history. The proponents of e sales tax initiative have placed this issue the upcoming ballot in an attempt to duce or eliminate what is seen as surplus oney in the state coffers. As usual they ther do not know or do not care what fect this initiative will have on local overnments. The sales tax along with roperty taxes and franchise taxes support eneral fund operations. These include servces such as police and fire, library, economm development, and general government perations. The city of Orem will lose pproximately $560,000 per year in sales tax evenue if the initiative passes.

"Cut the fat" is the battle cry of the roponents. This belief that all local governents are obese with the fat of bureaucracy s the last refuge of the truly uninformed. ne of two things will have to happen. ither general fund services will ahve to be ut back, or other general fund taxes will ave to be raised.

We continue to expect more from our local overnment in the way of increased services uch as the school D.A.R.E. anti-drug program, better recreation facilities, more rossing guards, increased library services, more building inspectors etc., etc. At the ame time we seem to be unwilling to acknowledge that these services cost money, our money.

In November, if you cast your vote for the initiative knowing that services will be cut, or that the tax burden will be shifted from sales tax to increased property or franchise taxes, than by all means vote your conscience. But if you vote for the initiative and believe there will be no effect, there's a couch out there with your name on it.

Dean Nickels
Orem City Treasurer

War created

Editor:
It's as plain as the nose on your face. The reason this so-called war was created was to raise the price of oil.

The three major oil companies who control almost all the oil in the world have already made billions of more net profit than they ever have in their history and will keep that so-called war going as long as possible.

Our military is stopping shipping into Iraq, other than oil tankers, which can come and go as they wish.

If we had an honest government, who would stop all foreign oil from coming into this country and make these oil companies uncap thousands of oil wells and put back to work thousands of oil workers in this country, we wouldn't need any foreign oil.

What is the "U.S. oil workers union" doing

tell a lot of young people how our government is in bad shape and what can happen, they say that I am crazy and laugh at me. I then tell them, "Son, you take me back 60 years, when those old men told me all that scrap iron we are shipping to Japan. Some day they will shoot it back to us. I laughed at them and told them that they were crazy. When I was in WW2 I wasn't laughing."

Listen to your grandpa or grandma, they know more than you might think.

Bob Bormann
Provo

Disturbing rumor

Editor:
As I sit watching the early dawn light glowing among some clouds stretching over Rock Canyon, I feel disturbed over a rumor I heard about putting in a road and a sewer line down the canyon for Seven Peaks sewage. I don't know all the facts, and wouldn't want to argue a case if I did, but only want to share some of the beauty in Rock Canyon, and how precious it is to me.

The rocky cliffs forming the south face of Squaw Peak rise thousands of feet and are striking in themselves, but with the opposite cliffs (in the lower canyon) create a feeling of enclosure and isolation.

Farther up the canyon, on the south side of the trail, the steep cliffs give way to wildflower filled small meadows, a pure spring, and then pine forests increasing in size with the altitude, covering the perpetually shaded soil with a quiet covering of pine cones, pine needles, and bark chips. It is very quiet.

In the winter, I share my running trail with cross-country skiers; the narrowness of the canyon creates a tremendous buildup of snow, and sometimes avalanches cover the trail. I sit by the stream, the whole world hushed except for the muffled gurgling of water under the ice, and pick icicles off a waterfall for refreshment.

Christopher Westra
Provo

A better way

Editor:
I am writing to voice my feelings on a matter which may seem trivial, but one which I feel needs to be addressed.

On a recent Friday evening, my younger sister and I went to pick up a pizza. We waited in line and when it was our turn, we gave the cashier our money to pay for our order. However, before giving us our change back, or for that matter even opening the cash register, the cashier asked us if we would like to donate a dollar to the March of Dimes. In return, we would receive two tickets to the Haunted House and a trick-or-treat bag.

In a crowded restaurant, what could we do but say sure? So we did, and received our change, minus one dollar, and our donation prizes.

Now, it's not the donation which I am complaining about, but the manner in which it was solicited. The March of Dimes is a charitable organization and donations are usually made by choice. Would it not have been better, not to mention fairer, to have had a donation can on the counter so that patrons could have given of their own free will?

the stalemate over their most basic assignment, the long overdue task of financing federal operations.

Doomsday comes on Friday, when the government again will run out of spending authority unless the Congress finally produces a budget and Bush signs off on its terms.

It is a deadline Bush said he will not waive by accepting a temporary extension of spending authority without an overall budget settlement. He said the clock is going to keep running because without that pressure, Congress wouldn't do anything.

"They are going to have to stay in town and pass a budget," Vice President Dan Quayle said in a CBS interview as the rival tax writers staked their latest positions on the Sunday television talk shows. "The president is simply not going to let the Congress go home until they pass a good deficit-reduction plan that is going to avoid a recession."

Beyond that, there has been no clear White House strategy since the rejection of the earlier budget deal, produced in five months of negotiations and abruptly spurned by the House.

rate for a cut in c
latter an elusive go
campaign.

He said there wo
balance between th
idea was tried in s
failed because Dem
never could agree
Democrats wanted
smaller capital gai
was willing to acce

In rerun, the s
same deadlock inev

After reviving th
publican senators t
it, but his spoke
Campaigning last
dent seemed to be
He even parodied
paign slogan. "R
when asked while
dropping the capit

Finally, in a wri
day, he said he
would work, and c

"Indeed, I'm qu
ing it in the curr
fail, it may legitir

How U.S. could dis



WASHINGTON — Top U.S. military commanders in the Pentagon and in Saudi Arabia are considering a nuclear option for war with Iraq — not a nuclear bomb to kill people, but a nuclear bomb to knock out all Iraqi electronic equipment.

In the early stages of a war with Iraq, a single, high-altitude detonation of a nuclear bomb would shower the land below with an electronically destructive wave known as electromagnetic pulse, or EMP. If strategically placed, EMP might shut down communications systems, missle-launch systems and any tanks or planes that rely on electronic equipment.

The seriousness of the discussions and the careful analysis going on at the Pentagon mark the first time the United States has so extensively studied the use of EMP against any target smaller than the Soviet Union.

The use of EMP against Iraq has drawbacks. It is a nuclear weapon with radioactive fallout, and it would set a dangerous and short-sighted precedent. The United States is not eager to be the first to use nuclear weapons in the volatile Middle East, a region that is likely to have its own nuclear arsenal in the next decade.

Another thing holding back the strategists is the fact that EMP may not be precise. U.S. weapons and equipment would have to be at least 100 miles away from the target area, or they could be knocked out too.

EMP is no sci-fi fantasy. It is an intense burst of energy that travels at the speed of light and hits electrical circuits with more than 50,000 volts per meter, shorting them out and shutting down all major power facilities.

The effect of EMP was first discovered by American scientists in 1962 when a high-altitude atomic test knocked out street lights and power lines in Hawaii, more than 800 miles away.

Hawaii was spared a total blackout because part of its electrical grid was built on an old vacuum-tube concept, and its

sensitive to EM
have seen says
thousand to a
damaged by
vacuum-tube te

U.S. military
honed the effe
most of the
learning the eff
if the Soviets
against the Uni

One highly cl
report we hav
ca's own milit
would be so th
that the "abili
strategic nucle
become questi

The report
bomb explode
Neb., could st
cause power b

The Pentag
lars hardenin

W

Following a
Washington.
In the Hous
Nielson repre
area and othe
Washington
Washington
number is (2
number is 37
the state but
1426

Inside Today:

Orton says put aside blame and politics for non-partisan focus
Page B1

World
Yeltsin blasts Gorbachev plan
Page A4

Home Interiors
Decorating tips for the home
Special section

Sports
Cha
It's c

The Daily Herald

Wednesday, October 17, 1990 — Central Utah's Newspaper for 116 Years — Issue No. 78, Provo, Utah

Senate version differs from House-passed budg

WASHINGTON (AP) — The Senate began work today on a bipartisan deficit-reduction bill that doubles gasoline taxes and differs sharply from a House approved hit-the-rich version opposed by President Bush.

"This requires moderate sacrifice for all Americans," Sen. James Sasser, D-Tenn., chairman of the Budget Committee, said of the Senate plan. "It exempts no citizen. ... It is sound, sensible and supportable."

The Senate bill, unlike the House plan, wouldn't tamper with income tax rates. However, it would raise the 9-cent gasoline tax by 9½ cents, limit itemized deductions of people with incomes over $100,000, and raise some Medicare premiums slightly more than the House approved.

Sasser sounded the same theme that marked a long, partisan debate in the House on Tuesday. The well-to-do gained most from government policies in 1980s and should be required to pay more to reduce the deficit.

Other Democratic senators were writing amendments that would make the wealthy do even more, trying to make the Senate bill look more like the House plan and hoping to bring Bush along by tacking on part of his long-sought cut in capital-gains taxes.

Sen. Pete Domenici of New Mexico, senior Republican on the Budget Committee, called the Senate measure fair.

"I will try to dispose of the notion that we are not taxing the wealthy enough in this package," he said.

John Sununu, Bush's staff chief, said on the "Today" show on NBC: "The White House is ready to receive the bipartisan package similar to the Senate package. Get it to the president's desk and he'll sign it."

Congressional leaders are trying to complete action on the tax increase — the second largest in history — before the government runs out of money at midnight Friday. Bush has vowed to let the government shut down if Congress does not approve a deficit-reduction plan he can accept.

The House voted 227-203 Tuesday night for a plan that would raise taxes for all but the poorest Americans.

Utah lawmaker Democrat Wayne Owens voted yes; Utah Republicans Jim Hansen and Howard Nielson voted no.

Groups urge changes to forest plan

Amendment would protect Rock Canyon

By CHRISTI C. EVANS
Herald Staff Writer

Local environmentalist groups have asked for an amendment to the Uinta National Forest plan — an amendment prohibiting developers from harming traditional public recreation on the land through uses such as ski resorts.

Representatives of the Rock Canyon Preservation Alliance announced today that a proposal to amend the Uinta National Forest Land and Resource Management Plan had been submitted to the Uinta National Forest Service.

The amendment addresses three major concerns: preserving watershed lands, encouraging wildlife habitat and retaining the public's right to use the lands for hiking, biking, fishing, hunting and other recreation.

The Forest Service must first determine if the proposed amendments warrant immediate attention. If not, the amendments may be put on hold until the normal overall revision of the forest plan which occurs every 10 years and is set for 1994.

Areas affected by the proposed amendment includes property which has been considered for the Seven Peaks ski resort development. The proposal has no immediate effect on Seven Peaks as that project is currently on hold, a forest official said.

In all, the proposal to amend the plan would:

• Redesignate the lands of Provo Peak Cascade Mountain Lightning

(See 7 PEAKS, Page A2)

Group home neighbors upset again

By KAYLENE NELSEN
Herald Senior Reporter



AP Laserphoto

Comedian Steve Martin (right) is visiting troops in Saudi Arabia. See related coverage on D2.

Cheney, Gorbachev discuss gulf

Oil prices rise again in wake of tough talk by officials

By The Associated Press

Defense Secretary Dick Cheney, on a mission to Moscow to discuss the Persian Gulf crisis, met with President Mikhail S. Gorbachev today amid Soviet calls for a peaceful settlement to the dispute.

Oil prices climbed higher after U.S. and exiled Kuwaiti officials ruled out a possible compromise solution to the Persian Gulf crisis in which Iraq would withdraw from most of Kuwait but be permitted to keep some key land.

The official Soviet news agency Tass disclosed no details about Cheney's meeting with Gorbachev and Soviet Defense Minister Dimitri Yazov.

Meanwhile, Soviet Middle East expert Yevgeny Primakov was on a trip to Europe and the United States to discuss the crisis. He arrived in Paris today for talks with French President Francois Mitterrand.

"The Soviet leadership believes that if there is a smallest chance to settle the conflict peacefully that chance should be used to the ultimate," Gorbachev spokesman Vitaly Ignatenko said in Moscow on Tuesday.

At the United Nations, meanwhile, diplomats said Britain was drafting a measure to make Iraq pay war reparations, and the United States was seeking to have the world body oversee the resupply of Western diplomats who have refused to quit their countries' embassies in Kuwait City.

The only Western holdouts are the British, Americans, Canadian and French.

Britain's Foreign Office said today that Iraq had withdrawn diplomatic accreditation from eight British diplomatic personnel evacuated from Kuwait to Baghdad. It said Iraq's ambassador had been summoned to hear a protest against Baghdad's "flagrant disregard for international law."

Britain also told the Iraqi ambassador that British nationals who have suffered damage or injury since Iraq's Aug. 2 invasion of Kuwait intend to demand compensation, a Foreign Office spokesman said.

Oil prices continued to reflect fears over the crisis, closing just short of $39 on Tuesday, up nearly $1. The rise was attributed in part to signs of a hardened U.S. position toward Saddam Hussein.

Although the two nations had not formally severed their ties during the 1980-88 conflict, embassies were closed and diplomats withdrawn.

Provo counc street compl

By CHRISTI C. EVANS
Herald Staff Writer

In response to citizens' concerns, the Provo Municipal Council offered a compromise to neighbors on 2200 North Tuesday that includes expanding one intersection, but leaves the majority of the street untouched.

The city had originally proposed eliminating parking on the entire length of 2200 North and restriping it to handle four lanes of traffic rather than its current two lanes.

The plan would smooth out traffic flow and reduce carbon monoxide emissions in the area.

However, citizens attending a meeting on the issue Oct. 1 expressed doubt to city staff that recent traffic studies of the road are accurate. Traffic detoured to 2200 North from construction on University Avenue may be the cause of high traffic flows on the road.

Dave Graves, city traffic engineer, said counts taken two weeks ago showed 2200 North averaging 16,500 vehicles per weekday.

Mayor Joseph A. Jenkins said

Nobel prizes for chemistry

STOCKHOLM, Sweden (AP) — Two Americans and a Canadian won the Nobel Prize in physics today for finding the first evidence of quarks, and an American won the Nobel in chemistry for developing simpler ways to make complex chemicals.

Americans Jerome I. Friedman and Henry W. Kendall and Canadian Richard E. Taylor showed that protons and neutrons, once thought to be fundamental particles, were made up of smaller components called quarks. Quarks are now believed to be basic building blocks of matter.

American Elias James Corey won the prize in chemistry for research that simplified the production of plastics and other artificial fibers, paints and dyes, pesticides and drugs.

The Swedish Academy of Sciences, which awards both prizes, said theories and methods devel-

N0006143

...ism — the savage cry of class warfare. No (GOP) member ... could even consider voting for this plan."

During the rancorous, seven-hour ... debate, Republicans said reduced spending was the only way to cut the deficit, while Democrats blamed 10 years of GOP presidents for the red ink.

"The statute of limitations on blaming Jimmy Carter (for economic problems) has run out — but it hasn't run out on Ronald Reagan," said Rep. Nancy Pelosi, D-Calif.

Rep. James Traficant, D-Ohio, was one of 40 Democrats who bucked their leadership and opposed the plan. "I will not support any plan ... that does not take one cent from foreign aid and picks on Mom and Dad," he said.

Only 10 Republicans joined 217 Democrats in voting for the bill; 163 Republicans voted no.

The House bill would raise taxes by $149 billion over five years and require those with incomes over $50,000 to pick up well over half the tab. It would raise the 28 percent top income tax rate paid by the wealthy to 33 percent; impose a 10 percent surtax on those with incomes over $1 million; and raise to $100,000 the present $51,300 limit on the amount of wages subject to the ... and jewelry.

The House voted to require ... care beneficiaries to pay mo... insurance to cover doctors' bills, up from $36.60 this year to $29.90 next year and $35.60 by 1995. The $75-a-year deductible they pay doctors before Medicare kicks in would be raised to $100 for the next five years.

Medicare reimbursements to doctors and hospitals would be reduced by $23 billion over the five years. Other parts of the deficit-cutting plan would rein in benefits for veterans and government retirees; limit student loans; reduce farm subsidies and impose fees on a variety of federal services.

The House plan includes a capital gains tax cut targeted to middle-income people, but it is far from what Bush has been demanding. It would allow a person to avoid tax on half of lifetime capital gains of up to $200,000 from most investments except stock. People with incomes under $100,000 also would be allowed a tax-free gain of up to $1,000 a year from most investments, including stock.

Bush, campaigning Tuesday night in Glen Ellyn, Ill., said that if the House bill reaches his desk, "I will veto it because it raises the income taxes of the working men and women in this country, and I am not going to do that."

about the group home when it first opened in January because Murphy and other retarded men with backgrounds involving alleged inappropriate sexual activities were living there. So they went to the city council for results. According to Bobby Jo Jackson, whose yard joins that of the group home, the neighbors will be back before the city council next Tuesday night.

"Orem said there's not a single thing they could do," she said. "Look at Lehi. They said no. We want Orem to say no."

Jackson said police have said the latest incident involving another group home resident is "not that big of a deal," especially since the incident occurred outside the neighborhood where the man lives. Jackson said experts have told her that going outside the neighborhood where they live is exactly the kind of behavior to expect.

"It's happening in other neighborhoods in Orem," Jackson said ... be formed and she and at least one other neighbor volunteered ... on that committee. How... said, the committee has ne... formed.

Orbin was not available for comment on the matter.

Jackson said four men have continued to live at the home, three that lived there with Murphy and one slot that has had several men fill it for short periods.

She said she is unsure about the time limit given to meet the conditions and that's why she and neighbors will be attending the council meeting.

"I don't know what we can do. We just have to see where they're (Orem city) coming from. ... We told Orem city that we had been told by the experts that there's a 99 percent chance of recurrence (of criminal activity). It's happened with two of them. I don't know what they want."

TRAFFIC:

(Continued from Page A1)

drivers trying to turn left onto 900 East from North Temple Drive, he said.

Jenkins suggested the city continue the right hand lane to the 650 East intersection where it would become a right hand turn lane. The two left hand lanes would also continue through the intersection and merge with each other approximately one-half block west of 650 East.

"We think it's a good compromise. The rest of that we can leave just as it is," he said.

Ending parking areas would remain as is until the road is reevaluated following the completion of University Avenue, Jenkins said.

The only exception is one section of no parking would be added across the street from where a road extends from 2297 North to Rock Canyon Elementary School.

Jenkins said the city would begin promoting alternative routes to travel west from 900 East such as 1650 North to alleviate traffic loads from 2200 North.

In response to a question about eventual expansion of the road to five lanes, Jenkins said, "It has never been our intent to go to five lanes."

After studying traffic levels over the next several years, the city would again invite citizen input if four lanes were found to be needed, he said.

Patricia Heaton, identifying herself as a neighborhood representative, said she felt Jenkins' proposal was better than that made Oct. 1. However, she added she was still concerned with some effects a four lane road could bring.

Increasing 2200 North to four lanes would bring more traffic to within one block of Rock Canyon Elementary, she said. Located on a hill, 2200 North is slippery in the wintertime, Heaton said, and many accidents are avoided because there are only two lanes.

Richard Anderson, resident of the area, said he was concerned that the city was accepting higher traffic loads on 2200 North as "inevitable."

"If the city can say leave it to two lanes and keep the traffic out of there, that makes sense to me," he said.

Several citizens approaching the council suggested placing school warning lights on the road to slow traffic down.

Air Pollution

The following information is taken from the Wasatch Front air pollution report compiled by the Utah Bureau of Air Quality. The complete report is available by telephone at 373-8661.

Conditions as of 8 a.m. were as follows:

Residential Areas

UTAH COUNTY	good
Salt Lake	good
Weber	good

Downtown Areas

PROVO	good
Salt Lake	good
Ogden	good

Overall Air Clarity

The air quality for today was good in all areas along the Wasatch Front.

Outlook

Forecast called for a slight increase in pollution levels with a clearing index of 500.

24-Hour (Index) Highs

North Provo	oz	na
North Provo	co	11
Lindon	pa	26
Provo	co	44

The (Index) Scale

0-50 good air; 51-100 moderate; 101-199 unhealthful; 200-299 very unhealthful; 300 and above hazardous.

Abbreviations

co = carbon monoxide
oz = ozone
so = sulfur dioxide
pa = particulates

Note

The Utah County residential area reading is taken from the Lindon monitoring station.

The State of Utah has identified the following as primary sources of pollutants in Utah County: co = vehicles; oz = vehicles and gas vapors; and pa = heavy industry.

7 PEAKS:

(Continued from Page A1)

Peak as a scenic area.

- Redesignate the Rock Canyon drainage west of Squaw Peak trail as a research natural area.
- Redesignate Slate and Slide Canyons west of Squaw Peak trail for wildlife habitat protection management.
- Redesignate all other lands within the Pleasant Grove Management Area south of Provo River as a watershed protection area.

Also listed on the proposal with the alliance are the Utah County Sierra Club chapter, the Preservation Council, Citizens of Utah for a Better Environment, the Utah Wilderness Association, and the Utah Wildlife Federation.

"We don't want this area to only be available to a few people or only to people who have money to pay," said Francine Bennion, spokesperson for the alliance.

According to an alliance press release, all current legal uses of the lands would continue under the proposed amendments.

However, the proposal would "ensure that no special interest group or developer can exclude or impair current and traditional recreational uses of these forest lands that belong to all of us."

Current uses will not damage wildlife habitat or cause flooding in Rock Canyon as will the construction of convention centers, hotels and ski runs on the mountains, Bennion said.

"We think (Rock Canyon is) too great a treasure to keep being threatened with measures that aren't ecologically sound," she said.

Sam Rushforth, alliance member, said the proposal was not in direct response to the proposed Seven Peaks ski resort. Talk actually began during the early days of the former Heritage Mountain ski resort proposal. "We decided it was time to bring it to fruition," he said.

Presenting this alternative to development is a positive approach, Rushforth said. "This is a proactive issue .... We're not slamming anybody."

Both Rushforth and Bennion commented on the wide support in the community for the proposal. "The valley is filled with people who are interested," Rushforth said.

Brent McBeth, recreation and lands branch chief for the Uinta National Forest, said the Rock Canyon proposal will not affect the Seven Peaks proposal at this point. the Seven Peaks project is currently on hold until its developer Victor Borcherds can prove the ability to finance the project.

Severe flooding has been a problem in Rock Canyon's history; large-scale commercial development would compound that problem with deforestation and the use of herbicides, Rushforth said.

Also, the proposal lists cougar, eagles, peregrin falcons, black bears and moose as living within the Rock Canyon proposal area. Commercial development would likely force these species from the area, it states.

McBeth said amendments to the forest plan must undergo the same process as projects such as the Seven Peaks development.

"The bottom line is, amendments to forest plans go through the same public involvement process as do applications to utilize public land," McBeth said.

The Daily Herald

(USPS No. 9991-2777)
Second Class Postage Paid at Provo, Utah
U.S.P.S. ID #143-080

Published Daily by SCRIPPS LEAGUE NEWSPAPERS, INC.
1555 North Freedom Blvd.
P.O. Box 717
Provo, Utah 84603-0717

KIRK PARKINSON, Publisher
N. LaVERL CHRISTENSEN, Editor/Editor Emeritus
1949 - 1989

POSTMASTER: Send change of address to The Daily Herald P.O. Box 717 Provo, UT 84603-0717

MEMBER Audit Bureau of Circulation NEA Service

HOME DELIVERY RATES (In your carriers)

1 Month, carrier	$ 8.25
6 Months, carrier	$49.50
One Year carrier	$99.00

MOTOR ROUTE AND RURAL DELIVERY RATES*

1 Month, carrier	$ 8.50
6 Months, carrier	$51.00
One Year carrier	$102.00

*Rates may differ outside of Utah County

MAIL RATES IN UNITED STATES

1 Month	$ 12.00
6 Months	$72.00
One Year	$144.00

HERALD TELEPHONE NUMBERS

ADVERTISING DEPT.	373-5050
EDITORIAL DEPT.	373-5050
BUSINESS OFFICE	373-5050
CLASSIFIED	373-5450
DELIVERY SERVICE	375-5103

Copyright Scripps League Newspapers, Inc. 1990

Nineteenth Annual
SIDNEY B. SPERRY SYMPOSIUM
THE LORD OF THE GOSPELS

PROGRAM

Saturday, October 20, 1990
Brigham Young University
Provo, Utah

GROUND TURKEY
Norbest
SEE MEAT DEPT. FOR 25¢ OFF COU

FRYERS Foster Farms, Cut-Up, Lb. 59¢
LINK SAUSAGE Tri Valley, Lb. 1.29
PATTIES Chicken Breast, Lb. 1.88
LUNCH MEATS 2½ Oz. 39¢
BACON Bag of Lov
FRANK 1 Lb. Pack
SUMM Cervelat, 1
CHEES 8-oz. Kdoz.

TOWELS
Bounty

VEGETABLES Frozen Asst., 10 Oz. 59¢
ZESTA SALTINES 2 Lb. Pkg. 1.99
SLOPPY JOES Manwich, 15 Oz. 89¢
SHEDD'S SPREAD Country Crock, 3 Lb. Tub 1.49
PUDD Snack Pa
CHUN Western
CHILI Valley, 1
HAND Bonus Pa

HUNGRY JACK
PANCAKE SYRUP
Reg. Lite, 24 oz.

KETCHUP Squeeze, Doz. 1.19
DOUBLE CHEX Bow, Bonus, Box 1.88
HOT COCOA Swiss Miss Mix 89¢
COOKIES Sunshine, Asst. 8 Oz. 2/1.88
CHOCO Western
CAT FI Purina Fr
POPC Microwav
V-8 JU 6 Pack, 1

TEENAGE MUTANT NINJA TURTLES
31" PLUSH

TOOTH BRUSHES Soft, Reg. 1.49 5/1.00
ULTRA SLIM FAST Free Shaker, Reg. 6.99 4.99
HATS, GLOVES, SCARVES Loops Knit Collection 2/4.99
TOW ROPE With Hooks 4.99
VANITY Brass, Reg
FOOT S Pedi Pum
UTILIT Rubby Bask
PORCE Values to 2

DIAPARENE
BABY WIPES
100 ct./$1.74
75¢ Reams Instant Coup

MIXING BOWL SET Asst. Sizes, Reg. 13.99 6.99
LOAF DISH Pyrex 2.99
CUSTARD CUPS 4 Per Pack 2.99
MEASURING CUP One Quart, Reg. 6.99 1.99
BAKE I Pyrex, 2 Si
PIE PL 9" Twin Do
MEASU One Pint, Py
NERF F Turbo, Reg.

★ ★ ★ SANDWICH SPECI
HOT HAM & CHEESE W/SM. DRINK
TURKEY HOAGIE
DBL. ICE CREAM CONE

FALL SWEATERS Asst. Styles 25%-50% off
BOOTCUT CORDS Levi, All Colors 14.00
3 BUTTON SHIRTS Buttons, New Prints 16.99
WESTERN SHIRTS Childrens, Asst. Styles 25% off
WOOL Mens, Styl
RUBBER Pro Duck
MENS Western
SADD Asst. Styl

WALLS ROPER JACKETS
3 Colors

N000144

amendment includes property which has been considered for the Seven Peaks ski resort development. The proposal has no immediate effect on Seven Peaks as that project is currently on hold, a forest official said.

In all, the proposal to amend the plan would:

• Redesignate the lands of Provo Peak/Cascade Mountain/Lightning

(See 7 PEAKS, Page A2)

Group home neighbors upset again

By KAYLENE NELSEN
Herald Senior Reporter

Orem police have released a group home resident who allegedly exposed himself to some cheerleaders.

According to Gerald Nielsen, Orem police spokesman, charges are still pending and he declined to identify the man.

Neighbors of the group home at 741 E. 800 North, which has been the center of controversy since January, say this is just one more reason for Orem city officials to do something to keep out group homes for retarded criminals.

A retarded man who spent more than 30 years in the state hospital for allegedly raping a child and who was ordered released from the facility last year became the group home's first and most notorious resident. Bernt Murphy lived there until May when he was arrested for stealing a dog. A 4th Circuit Court judge ordered him to be placed in a 24-hour supervised program in Lehi and when he walked away from that, allowed him to go to a Salt Lake program.

Lehi neighbors also were unhappy about the group home in their neighborhood and took the matter to the city. Planning and zoning

(See ARRESTED, Page A2)

By The Associated Press

Defense Secretary Dick Cheney, on a mission to Moscow to discuss the Persian Gulf crisis, met with President Mikhail S. Gorbachev today amid Soviet calls for a peaceful settlement to the dispute.

Oil prices climbed higher after U.S. and exiled Kuwaiti officials ruled out a possible compromise solution to the Persian Gulf crisis in which Iraq would withdraw from most of Kuwait but be permitted to keep some key land.

The official Soviet news agency Tass disclosed no details about Cheney's meeting with Gorbachev and Soviet Defense Minister Dimitri Yazov.

Meanwhile, Soviet Middle East expert Yevgeny Primakov was on a trip to Europe and the United States to discuss the crisis. He arrived in Paris today for talks with French President Francois Mitterrand.

"The Soviet leadership believes that if there is a smallest chance to settle the conflict peacefully that chance should be used to the ultimate," Gorbachev spokesman Vitaly Ignatenko said in Moscow on Tuesday.

At the United Nations, meanwhile, diplomats said Britain was drafting a measure to make Iraq pay war reparations, and the United States was seeking to have the world body oversee the resupply of Western diplomats who have refused to quit their countries' embassies in Kuwait City.

The only Western holdouts are the British, Americans, Canadian and French.

Britain's Foreign Office said today that Iraq had withdrawn diplomatic accreditation from eight British diplomats' personnel evacuated from Kuwait Baghdad. It said Iraq's ambassador had been summoned to a protest against Baghdad's grant disregard for international law."

Britain also told the Iraqi bassador that British nat who have suffered damag injury since Iraq's Aug. 2 sion of Kuwait intend to de compensation, a Foreign spokesman said.

Oil prices continued to r fears over the crisis, closing short of $39 on Tuesday, up ly $1. The rise was attribut part to signs of a hardened position toward Saddam Hus

Although the two nations not formally severed their during the 1980-88 conflict bassies were closed and mats withdrawn.



AP Laserp

U.S. Defense Secretary Dick Cheney (third from left) meets with Soviet President Mil Gorbachev (second from right) at the Kremlin today.

Herald "Want Ads" get results. Place your ad !

9704383075 2

N000145

Senate, but without the
ded to overcome his
eto.
nvinced this bill will
ct of forcing business-
quotas in hiring and
Bush said Tuesday. He
the measure reached
would "be compelled

e on Tuesday night
measure, 62-34, short
irds support that spon-
need to override the
eto.
ublican senators, Jake
Orrin Hatch, voted
ill.
Democrats and nine

count on the votes of th absent senators and thus needed only two more to reach the 67 required for an override. But the roll call revealed that despite many concessions they had gained no new support since July 18 when an earlier version cleared, 65-34.

The House was due to vote today on the bill, which would effectively overturn six Supreme Court decisions handed down last year. It has been the civil rights movement's top priority on Capitol Hill in recent months.

Provisions range from a ban on racial harassment in the workplace to punitive damages in extreme discrimination cases.

would make it easier for those filing suit to win and harder for employers to defend themselves.

The administration and business critics of the bill say employers would adopt quotas as a ready-made defense in case they were taken to court. Sponsors of the bill scoff at this notion.

Civil rights leaders who visited with Bush in May in an effort to reach a compromise plan to ask for another chance to make the pitch for the bill and head off a veto.

"This is going to be a defining issue for the Bush administration and civil rights," said Ralph Neas, executive director of the Leader-

gan administration's move to grant exempt status to that institu despite charges that it prac ced discrimination.

Sen. Edward M. Kennedy, D-Mass., said, "I believe there is a good chance that President Bush will sign this bill. But if he vetoes it, I think there is a good chance Congress will override the veto."

Sen. Arlen Specter, R-Pa., who voted for the bill, held out hope that even after months of disagreement the administration and sponsors could reach a compromise. He said talks were getting under way again. A summer of negotiations that were revived briefly in September have produced nothing.

DGET:

ed from Page A1)
iay."
Republican Leader
el of Illinois criticized
or "economic McCar-
e savage cry of class
(GOP) member ...
onsider voting for this

rancorous, seven-hour
, Republicans said re-
ng was the only way
ficit, while Democrats
ars of GOP presidents
k.
ute of limitations on
my Carter (for eco-
ms) has run out — but
out on Ronald Rea-
Rep. Nancy Pelosi, D-

es Traficant, D-Ohio,
40 Democrats who
leadership and op-
an. "I will not support
that does not take one
reign aid and picks on
d," he said.
Republicans joined 217
n voting for the bill;
ans voted no.
bill would raise taxes
n over five years and
e with incomes over
k up well over half the
l raise the 28 percent
tax rate paid by the
percent; impose a 10
ax on those with in-
1 million; and raise to
present $51,300 limit on
f wages subject to the
1.45 percent Medicare tax.

Like the Senate bill, the House plan would raise taxes on cigarettes by 8 cents a pack; boost taxes on wine and liquor and double the tax on a six-pack of beer to 32 cents. A new 10 percent luxury tax would hit part of the price of expensive cars, boats, planes, furs and jewelry.

The House voted to require Medicare beneficiaries to pay more for insurance to cover doctors' bills, up from $28.60 this year to $29.90 next year and $35.40 by 1995. The $75-a-year deductible they pay doctors before Medicare kicks in would be raised to $100 for the next five years.

Medicare reimbursements to doctors and hospitals would be reduced by $23 billion over the five years. Other parts of the deficit-cutting plan would rein in benefits for veterans and government retirees; limit student loans; reduce farm subsidies and impose fees on a variety of federal services.

The House plan includes a capital gains tax cut targeted to middle-income people, but it is far from what Bush has been demanding. It would allow a person to avoid tax on half of lifetime capital gains of up to $200,000 from most investments except stock. People with incomes under $100,000 also would be allowed a tax-free gain of up to $1,000 a year from most investments, including stock.

Bush, campaigning Tuesday night in Glen Ellyn, Ill., said that if the House bill reaches his desk, "I will veto it because it raises the income taxes of the working men and women in this country, and I am not going to do that."

ARRESTED:

(Continued from Page A1)
officials denied a request for a conditional use permit to allow the home in an agricultural area.

Orem neighbors became upset about the group home when it first opened in January because Murphy and other retarded men with backgrounds involving alleged inappropriate sexual activities were living there. So they went to the city council for results. According to Bobby Jo Jackson, whose yard joins that of the group home, the neighbors will be back before the city council next Tuesday night.

"Orem said there's not a single thing they could do," she said. "Look at Lehi. They said no. We want Orem to say no."

Jackson said police have said the latest incident involving another group home resident is "not that big of a deal," especially since the incident occurred outside the neighborhood where the man lives. Jackson said experts have told her that going outside the neighborhood where they live is exactly the kind of behavior to expect.

"It's happening in other neighborhoods in Orem," Jackson said. "When Bernt Murphy was arrested it wasn't in our neighborhood. Everyone is vulnerable."

She said the city put several stipulations on the group home operator, Ray L. Orbin, and claims he has not complied with those stipulations. She said one condition was that a neighbohood committee be formed and she and at least one other neighbor volunteered to serve on that committee. However, she said, the committee has never been formed.

Orbin was not available for comment on the matter.

Jackson said four men have continued to live at the home, three that lived there with Murphy and one slot that has had several men fill it for short periods.

She said she is unsure about the time limit given to meet the conditions and that's why she and neighbors will be attending the council meeting.

"I don't know what we can do. We just have to see where they're (Orem city) coming from. ... We told Orem city that we had been told by the experts that there's a 99 percent chance of recurrence (of criminal activity). It's happened with two of them. I don't know what they want."

AFFIC:

ed from Page A1)
g to turn left onto 900
orth Temple Drive, he

ggested the city contin-
hand lane to the 650
ction where it would
ht hand turn lane. The
nd lanes would also
rough the intersection
ith each other approx-

1650 North to alleviate traffic loads from 2200 North.

In response to a question about eventual expansion of the road to five lanes, Jenkins said, "It has never been our intent to go to five lanes."

After studying traffic levels over the next several years, the city would again invite citizen input if four lanes were found to be needed, he said.

Patricia Heaton, identifying herself as a neighborhood representative, said she felt Jenkins' proposal

7 PEAKS:

(Continued from Page A1)
Peak as a scenic area.

- Redesignate the Rock Canyon drainage west of Squaw Peak trail as a research natural area.
- Redesignate Slate and Slide Canyons west of Squaw Peak trail for wildlife habitat protection management.
- Redesignate all other lands within the Pleasant Grove Management Area south of Provo River as a watershed protection area.

Also listed on the proposal with the alliance are the Utah County Sierra Club chapter, the Preservation Council, Citizens of Utah for a Better Environment, the Utah Wilderness Association, and the Utah Wildlife Federation.

"We don't want this area to only be available to a few people or

Sam Rushforth, alliance member, said the proposal was not in direct response to the proposed Seven Peaks ski resort. Talk actually began during the early days of the former Heritage Mountain ski resort proposal. "We decided it was time to bring it to fruition," he said.

Presenting this alternative to development is a positive approach, Rushforth said. "This is a proactive issue . . . . We're not slamming anybody."

Both Rushforth and Bennion commented on the wide support in the community for the proposal. "The valley is filled with people who are interested," Rushforth said.

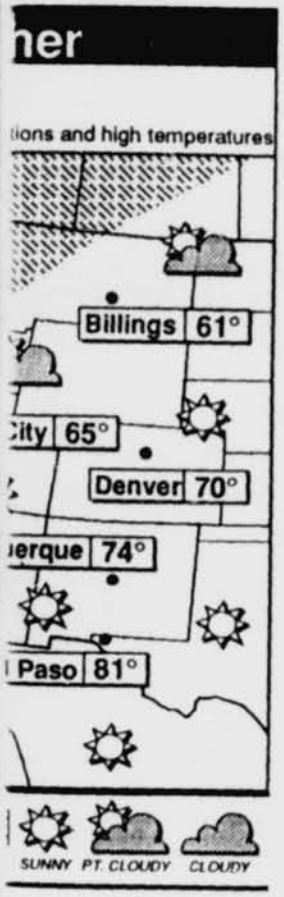
Brent McBeth, recreation and lands branch chief for the Uinta National Forest, said the Rock Canyon proposal will not affect the Seven Peaks proposal at this point; the Seven Peaks project is currently on hold until its developer Victor

HI(
L(
1350 NORTH
GOLDEN
Lb.
PEANUT
Fresh Roast
ORANGE
Lg. Calif.
G
SEE MI
FRYERS
Foster Farm
LINK SA
Tri Miller. Li
PATTIES
Chicken Bre
LUNCH
2½ oz.
VEGETA
Frozen Assi
ZESTA
2 Lb. Pkg.
SLOPP
Hanwich. 1
SHEDD
Country Cr
KETCH
Squeeze. N
DOUBL
New. Raisi
HOT C(
Swiss Mis
COOKI

tains saturday decreasing
y. Highs Friday mid 60s to
0s and Saturday and Sunday
mid 60s. Lows mid 20s to
0.

IDAHO

heastern Idaho: Fair tonight.
ng up Thursday. Breezy at
Highs Thursday 50s to the
60s. Lows tonight mid-teens
mid-20s.
er Snake River Valley: Fair
t. South winds 5-10 mph.
mid-teens to the mid-20s.
lay, increasing clouds. Bree-
hs mid-50s to the lower 60s.



olis	68	42	03	clr
Miss.	89	52		cdy
ille	86	55		cdy
	42	35	m	rn
ity	83	58		cdy
s	86	59		clr

North central mountains: Tonight cloudy. A chance of rain or snow after midnight. Breezy. Cloudy Thursday. A good chance of rain except snow above 5,800 feet. Breezy.

NEVADA

Northern Nevada: Increasing high cloudiness Thursday. High temperatures in the 60s. Lows in the 20s.

Central Nevada: Occasional high cloudiness Thursday. Highs in the upper 50s to lower 70s. Lows tonight in the middle 20s to middle 30s.

Southern Nevada: Occasional high cloudiness Thursday. Highs in the upper 70s to upper 80s. Lows in the upper 40s to upper 50s.

COLORADO

Mostly clear and colder tonight. Mostly sunny Thursday and warmer. Lows tonight 20 to 35 with 10 to 25 mountains and high valleys.

Snow falls on 2 Western states

By The Associated Press

Snow and rain fell across parts of the nation's northern tier early today. The rest of the nation had mostly clear skies.

The first major snow storm of the season was expected today in the northern Plains, with up to 4 inches forecast in the Dakotas and 5 inches in Minnesota. From 4 to 6 inches was forecast in Wyoming. Colorado also expected snow.

Snow fell early today in Bismark, N.D., Casper, Wyo., and Great Falls, Mont. Rapid City, S.D., received rain.

Strong gusts were likely in Wyoming and Colorado.

Showers were expected along a cold front cutting across Texas and Oklahoma to Kansas, and into Missouri and Iowa.

Rain was in the forecast north of a warm front stretching across Minnesota into the Michigan.

The nation's high on Tuesday was 96 degrees at Borrego Springs, Calif.

Daniel Green of the International Astronomical Union's Central Bureau for Astronomical Telegrams, a reporting agency for discoveries in space.

The oval white spot on the solar system's second-largest planet is growing and now measures 12,500 miles wide by 3,100 miles long, New Mexico State University as-

tor were observed in 1876, 1903, 1933 and 1960, but only the 1933 spot approached the size of the current one, scientists said.

"I'm ecstatic. It's really incredible," said Stephen O'Meara, an associate editor at Sky and Telescope magazine in Cambridge, Mass.

NASA's $1.5 billion Hubble tele-

can still provide better detail than ground-based telescopes, Doxsey said.

The first reported observation of the storm was made the night of Sept. 24 by an amateur astronomer in Las Cruces, Green said. Sky and Telescope also received reports that it was discovered the same night by an amateur in Burbank.

Magellan continues to map Venus

PASADENA, Calif. (AP) — The Magellan spacecraft has mapped about 11 percent of Venus despite a malfunction in a system that helps point the solar panels needed to make the orbiter run, NASA says.

The malfunction is "quite minor in that the spacecraft continues to perform fine," said Phil Allin, an administrative assistant at NASA's Jet Propulsion Laboratory. "It's like having a warning light on your car."

Allin said Tuesday that engineers expect to fix the problem soon.

The orbiter has collected picture information equal to "an area that on Earth would completely cover the width of the United States and extend from the North Pole to beyond the southern tip of South America," Allin said.

That amounts to about 11 percent of the planet's surface, said laboratory spokesman Jim Doyle.

Part of a $744 million mission,

Magellan was launched from space shuttle Atlantis in May 1989 and has circled Venus more than 500 times since entering orbit on Aug. 10. It uses radar to penetrate the planet's thick clouds and map the surface.

The spacecraft's pictures have revealed extensive faults, volcanoes, solidified lava flows, huge meteorite impact craters, sand dunes, tall ridges and deep valleys.

Third Congressional District Candidates

BILL ORTON



Debate on Ballot '90

TONIGHT AT 9:00

KUED 7
TV worth watching

KARL SNOW



MONSTROUS

N000147

9704383075 5

The Daily Herald

Also in this section:
☐ Obituaries B2
☐ Opinions B4
☐ Lifestyle B6-B8

Local

Wednesday
Oct. 17, 1990
B1

Orton: Put blame, politics aside for non-partisan focus

By PATRICK CHRISTIAN
Herald Staff Writer

Democratic 3rd Congressional District candidate Bill Orton told members of the Provo Kiwanis Club he had probably cast more votes for Republican candidates than for candidates from his own party.

The Provo tax attorney, speaking Tuesday, said he is not a politician and that as a Utah Democrat, he is swimming upstream.

He said part of the current federal budget debate problem is Republicans pointing fingers of blame at Democrats, and Democrats pointing accusatory fingers at members of the GOP.

"We must stop business as usual," said Orton. Blame and politics need to be put aside for a non-partisan focus on identifying and finding solutions to problems, Orton said.

Kiwanian Sherman Cloward — Orton's dentist and friend — introduced the candidate to Kiwanians. Cloward said as a lifelong Republican, he "felt funny" introducing Orton.

But he added that "my vote will be in his square."

Unlike earlier appearances, where Orton's Republican opponent Karl Snow appeared with Orton, this time Orton spoke alone.

Snow, who has been outspending Orton more than $2 for every Orton dollar, left for Washington, D.C., Monday to seek more money for his campaign coffers. He was expected to return to Utah today.

Snow is scheduled to speak to Kiwanians next week.

And he should be able to answer any issue Orton brought up Tuesday, because while Orton spoke in a small ballroom at the Excelsior Hotel, Snow campaign manager Clark Caras was seated just outside the door silently notetaking.

Orton speaks alone to Kiwanis Club

Orton said Snow has criticized his plan of balancing the budget.

The Democrat's plan calls for taking the nearly $2 billion annual interest off the federal budget, balancing the budget, and finally, paying off the nearly $3.4 trillion deficit and subsequent annual interest with a transfer tax on all financial transactions.

The Democrat claimed that the reason his opponent earlier said that no one in Washington would take Orton's transfer tax proposal seriously was because Snow mistakenly believes Orton's plan is actually an already-proposed and discarded national sales tax proposal.

"I'm not afraid to dream a dream of a better government," Orton said.

Orton said sales tax or a value-added tax on manufacturing and development, are transfer taxes, but are not sufficiently broad.

He said his transfer tax would encompass these two taxes and would tax any financial transaction on anything of value. He said the broader the base of a transfer tax, the lower it would be and the less detrimental it would be.

He said unlike a gasoline tax that unequally affects states like Utah because Utahns drive longer distances, a transfer tax would spread the tax burden evenly.

He said it would take about 15 years to pay off the national debt and the annual interest on that debt.

In other forums, Orton earlier said he would eventually like to see this transfer tax replace the present income tax.

He said the transfer tax is not a new idea and is not his.

Instead, it was proposed by the fourth U.S. president, James Madison.

Madison was one of the first members of the Democratic-Republican Party, the forerunner to the Democratic Party.

In a question and answer session, Orton was asked where emergency money would come from to meet an expensive and unexpected crisis similar to the what is now occurring in the Middle East.

He told them to look at the first line of the U.S. Constitution — "We the people."

Orton said all the people of the nation would have to pay for the conducting of goverment.

He indicated that it is wrong for one segment of the people to say, "I'm not going to pay for it, you're going to pay for it."

He said the current national debt is akin to buying a home and telling the lender to send the mortage payment book to one's grandchildren.

President Benson to remain hospitalized

SALT LAKE CITY (AP) — Mormon Church President Ezra Taft Benson remained hospitalized today, despite statements from church authorities saying the aging Mormon leader may be released.

LDS Hospital spokesman Maury Christensen said he had heard nothing of plans to release the 91-year-old Benson, who has been hospitalized for almost four weeks after surgery to remove blood clots from his brain. He subsequently was treated for what officials said was unrelated gastrointestinal bleeding.

Gordon B. Hinckley, Benson's first counselor in the faith's governing First Presidency, told a Brigham Young University audience Tuesday that Benson was "much better than he's been, and it is anticipated that he may come home tomorrow. That will be good news for all of us."

Christensen said Benson was improving, but that he had not heard of any plans for his imminent release.

Benson was hospitalized after complaining of severe headaches and difficulty swallowing. Doctors operated to remove the two subdural hematomas. A second surgery was performed four days later when one of the clots reformed.



Provo man, 25, found competent to stand trial

N000148

9704383075 6

The Daily Herald

"Speech is civilization itself. The word, even the most contradictory word, preserves contact — it is silence which isolates."
— Thomas Mann, German author (1875-1955)

Opinions

Thursday
Oct. 18, 1990
B4

Scenery not enough

Herald comment

Perhaps Utah can benefit by a study done by the state of Washington without having to spend the $135,000 spent by our neighbor to the northwest.

Washington's study, released Tuesday, said scenery won't be enough to attract tourists in the 1990s. People want something to d. once they arrive. The trouble is, the survey reports, many people haven't a clue as to what Washington offers.

Washington's survey will be used to determine where the state ought to be spending its promotional money and who it should target. Could Utah make some valid assumptions based on the Washington study? It seems the answer would be yes.

The survey found that vacationers visited Washington in the 1980s primarily for the scenery. But in listing an "ideal" vacation in the 1990s, most participants listed variety and adventure as being as important as scenery. The study did not focus on foreign visitors other than Canadians, nor did it include convention goers.

Most people surveyed recognized Washington as having great scenery, but a majority also ranked the state as neutral or low on adventure and variety. In fact, when asked to describe a Washington vacation, nearly half the respondents couldn't come up with an answer.

If the study can be generalized to Utah, the following conclusion from the survey might be the most telling: *Among people who have been to Washington, sightseeing, dining on local specialties and shopping rank high among activities. Visiting wineries, taking part in winter sports and visiting national or state parks rank low.*

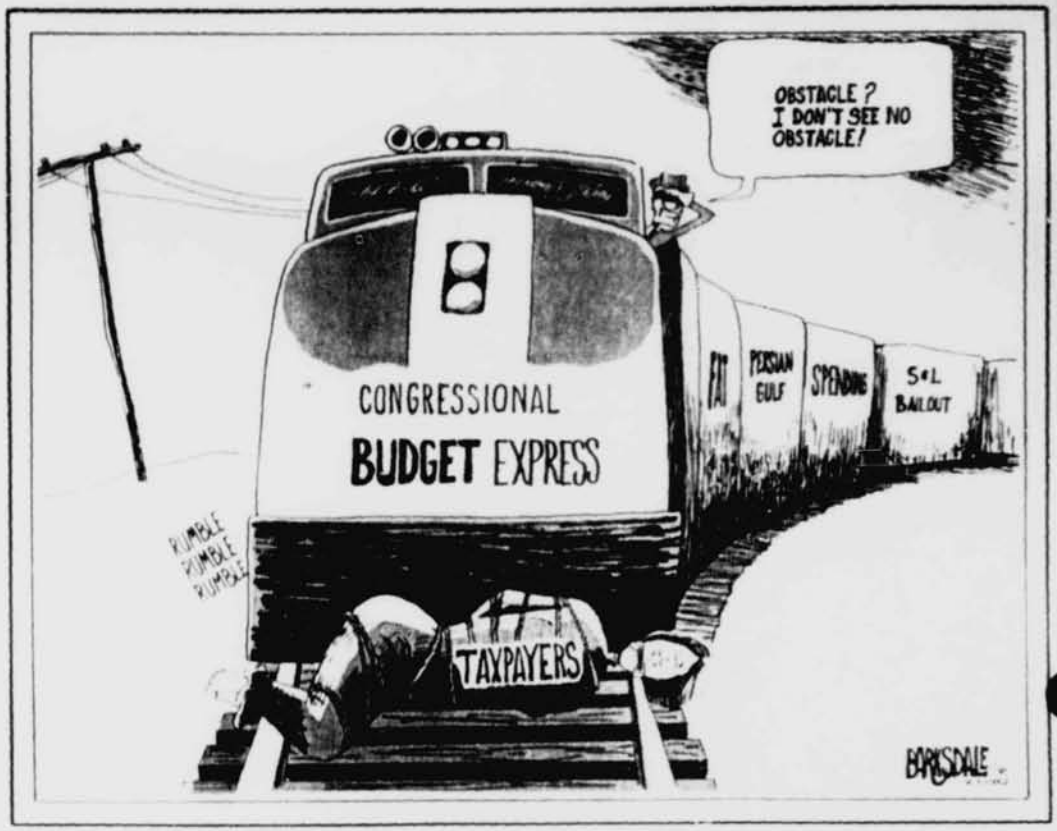
Utah tourism, of course, relies heavily on the attractions of spectacular scenery at state and national parks and "the greatest snow on earth." Parts of rural Utah rely on tourism as the number one industry and the Wasatch Front benefits greatly from winter visitors to the ski slopes. If there is any degree of accuracy in the Washington study and if potential visitors feel the same way about Utah, the news is not good.

What can be done?

First and foremost, Utah should emphasize statewide growth and development of clean industries to provide good jobs and a solid economic base. Declines in tourism would not then be a major blow to the state economy and increases in tourism would just be icing on the cake.

As far as tourism promotion is concerned, it would seem Utah could benefit by touting the variety and adventure available in the state, developing additional variety and adventure offerings where practical, and continuing to note that our scenery is pretty great, too.

Will people drive here from Omaha to visit a skating rink in Provo or Ogden? Probably not.



Letters

At their mercy

Editor:

The supply of money in our country in 1927 was increased 63 percent, just before the 1929 bust and the depression of the 1930's.

Again, during the "Carter years," over a four-year period, inflation rose to over 55 percent.

In 1980, the Reagan administration held down the inflation rate to 4 to 5 percent, but the result of that high inflation has over the

County Attorney. Although I do not enjoy politics, I have become involved in this election because of my strong support for Kay. He has been a deputy county attorney for the last 3½ years and has handled numerous felony and misdemeanor cases, including homicides, difficult child abuse cases and every other type of case handled by the Utah County Attorney's Office.

Because Kay has six children of his own, he is very concerned about children who are victims of crime. I have seen Kay spend hours of his own time meeting with victims

A food tax/Olympics double standard



Merrill Cook

GUEST COLUMNIST

Is there a double standard at work in the pronouncements of state and local government officials regarding Initiative A, November's food tax ballot question? Absolutely. Just compare the rosy statements the governor and various mayors, commissioners, and city officials made about the Olympics sales tax diversion last year with the hue and cry they are making over the food tax cut this year. It ought to be enough to make even the most hardened government bureaucracy apologist vote yes, yes, yes' on Initiative A to remove the sales tax from food.

Just last fall, the governor and other state bureaucrats were covering Utah tour-

the Olympics, not whether to gamble with tax money to try to get the Olympics.

The tears coming from the governor and mayors over the loss of $90 million per year from the removal of sales tax on food

with dependent children, as long as the money is used for a $6 million Olympics gamble, or to refurbish the governor's office for $36,000, or to take the governor and his entourage around the world for half a million dollars.

But don't, and I repeat, don't try to utilize the surplus that is now accruing at the rate of over $100 million per year and has been accruing at that rate for four of the last five years in order to give that money back to the taxpayers through the elimination of the sales tax from food. That process would give the surplus back to every man, woman and child in the state.

If you try to use excess sales tax

N0000149

the authority and power to pass laws to ol and manipulate the economy.

the private sector, management and unions bicker over wages and benefits, realizing the effects of inflation on s, wages, and our standard of living.

day it takes an $80,000 capital invest- for the land, tools, machinery and ings necessary to provide one job for worker, and workers receive nine times in wages than do those who invest the tal to provide the jobs.

ter Congress and the president succeed eaching an agreement on the national , they will have one "loophole" in their r. As long as they can legally increase money supply, they will still be able to revenues through that insidious method dden taxation by inflation.

nat better thing can we expect from le who by their own laws will legally e, after years of "service," on a pension ver $60,000 per year? (Readers Digest, 1990).

Beryl Furner
Provo

lf-serving agenda

or:

find it interesting how after various le wrote in requesting a review of the U's budget and where it received its s, that Ms. Michele Parish-Pixler herself d write a letter to the editor complain- ow they operate "on a shoe string."

am not satisfied with her attempt to se the question; the fact that she made ttempt at all has made me all the more ous as to what is going on behind the d doors of the ACLU. I wouldn't mind g a public disclosure of contributors, ts and benefactors of the ACLU. Ms. sh-Pixler explained that "the only fund- we get from the government is by ing our cases" which explains why the U files so many suits in the first place.

e more suits filed, the more chances of ing, the more money awarded! What a t scam on our justice system, and on American people. She states, "our ts ... who are on the fringes" of society t be defended. Since most major Ameri- legal issues were settled long ago, the U's only viable method of abstracting money from our governmental system file suit after suit, most of which deal the "fringes" of settled law, i.e. grad- on prayer lawsuits and other trivial, yet nsive to defend, areas of civil rights

respectfully submit then that the ACLU inues to exist not so much, (quoting n from Parish-Pixler) "to defend the of Rights and to ensure its freedom", as es to fleece the American people and er its own internal agenda. I am inded of an old saying regarding being re of the wolf in sheep's wool who isn't e so much to protect as to ravage.

C. Timothy Ernst
Orem

ting for Byrson

or:

am voting for Kay Bryson for Utah anyone regardless of that person's political or other

You may be thinking by now that Kay Bryson probably wrote this letter. Nothing could be farther from the truth. Not only did Kay not write this letter, he doesn't even know about it. Kay would not ask any of his numerous supporters to write letters for him because he doesn't feel comfortable doing that.

I have been very dismayed by the attempts by Kay's opponent to blame Kay for actions taken by others in cases in which he had absolutely no involvement. Kay is not currently in a policy-making position within the County Attorney's Office. I can understand the opponent's tactics, because it is very difficult to find much to criticize about Kay. He is one of the rare individuals who is seeking office because of his desire to serve the people of Utah County. Kay is also hard-working, honest and has no skeletons in his closet.

Sherry Ragan
Orem

Vote them out

Editor:

Are you one of the growing number of Americans who no longer votes because you are fed up with "politics as usual" in Washington, D.C.? Are you upset by the $35,000 pay raise your congressmen gave themselves while they were ignoring the S&L fiasco that will cost your family $15,000?

Are you angry at the reluctance of Congress to help you find adequate day care for either your elderly parents or your young children? Does it bother you that fewer and fewer Americans can afford health-care insurance, that American children are dying of preventable childhood diseases for lack of available, affordable shots?

Please come back and vote against your incumbent. Your vote can count. Lobbyist money finances campaigns, but we, the voters, elect. Thomas Folley claims that a voter revolt would be irresponsible. Is it any more irresponsible than a Congress dedicated only to keeping its members in office?

Patricia Bissell
Fort Smith, Ariz.

Postcards please

Editor:

Our classes are studying the United States. To help us with this, we would like your readers to send us picture postcards from their area. We would also appreciate any other information your readers would like to send us about the industries and businesses, scenery, weather, famous people, and special attractions in your area.

Thank you for your help. We hope to hear from many of your readers.

Jacinta Perez
914 S. Niles
Kinsley, KS 67547
Rachel Bales
RR 2, Box 45
Lewis, KS 67552

pulling $56 million in sales tax dollars out of the state general fund that is used to finance higher education, human services, and a host of other general government programs.

In fact, of the total $56 million loss, cities and towns lost half of it — some $28 million. But did you hear any mayors threaten to lay off the police department or fire any firemen? No, they were all standing in line to endorse the pilfering from higher eucation, human services, and their own municipal fire and police budgets to pile the whole $56 million on the biggest crap shoot in Utah history — the gamble with your tax money just to see if we could get the Olympics! Many people thought they were voting whether or not to have

Soviets share intellige



WASHINGTON — The Soviet Union, which funded and trained the Iraqi military for two decades, is starting to share with the United States what it learned during those years. The clandestine cooperation may even lead to deployment of Soviet troops to the Persian Gulf in November if the stalemate continues that long with no armed conflict.

So far, the intelligence shared by the Soviets has not been as good as that gleaned from Iraqi defectors, including a brigadier general who brought with him war plans and order-of-battle information. But our sources say that the Defense Intelligence Agency is excited about the first tidbits of information from the Soviets. They see it as a vein leading to a mother lode.

The Soviets have yet to give what the DIA and the Central Intelligence Agency want most — profiles of the top Iraqi military officials, how their minds work and whether they would support a coup against Saddam Hu the stalemate, U.S dam's ouster by mo the best way out of t

The Soviets also a information about w the most battle-test with Iran. Some in gest that only a d mored and infantry battle experience, a ly green. DIA sour Soviets will share before armed conflic

In the meantime, about the weapons the ability of the Ir intelligence agencie pinpoint weaknesses particularly in the never fully tested ag

In sharing the dat to weigh the mora advisers still in Irac come close to mutin ev has quietly aske The contingent in I militant hard-liners They have secretly stand against Iraq a forced to abandon c allies in its time of r

Behind the scene carried out between ter Dmitri Yazov Edward Shevardn Shevardnadze think with the West to re my. They have alre

Other voices

The massacre in Jerusalem has made it impossible to keep the (Persian) Gulf crisis free from Palestinian politics. The United States is obliged to balance the requirements of its newly formed Arab alliances against its traditional loyalty to Israel. ...

It is no good countering, as the Israeli government did ... , with an assertion that the fault lay not with the police but with the rioters attacking Jewish worshippers. ...

A wiser reaction would have been to accept that the massacre should never have happened and welcome all efforts to discover how it came about. In that way, Israel could show its strength as an open society.

Reprinted from The Observer, London

N000150

9704383075 8 ISIOOON

Inside Today:

Jail Advisory Committee shown various types of jail management
Page B1

Nation
House passes civil rights bill
Page A3

Sports
Reds take 2-0 lead to Oakland
Page B5

Lifestyle
Jewels modeled at fashion show
Page D1

The Daily Herald

Thursday, October 18, 1990 — Central Utah's Newspaper for 116 Years — Issue No. 79, Provo, Utah — 50 Cents



Herald Photo/Tamara Sneddon

Blowing leaves

Rhett Murphy mows a lawn on 500 West Wednesday, leaving colorful autumn leaves in his wake. The forecast calls for rain tonight and tomorrow.

Cost of living up 0.8%

Social Security benefits to rise 5.4%

WASHINGTON (AP) — Soaring energy prices after Iraq's invasion of Kuwait pushed Americans' cost of living up 0.8 percent in September, the second consecutive monthly dose of bad inflation, the government said today.

The September rise matched the August increase in the Labor Department's Consumer Price Index. If prices continued increasing at the two-month pace for a year, it would produce an annual inflation rate of 9.5 percent.

The pickup in inflation this year translated into the biggest boost in Social Security benefits in 8½ years. Based on today's report, the government announced a 5.4 percent raise in benefits beginning in January for the 40 million Social Security recipients.

In addition to boosting inflation, the Aug. 2 Iraqi invasion hurt the nation's merchandise trade deficit, which jumped 2.4 percent in August. Rising oil prices pushed imports to a record high. The gap between imports and exports climbed to $9.3 billion, the largest since January.

The stock market shrugged off the news, with the Dow Jones average of industrial stocks rising 13.37, to 2,401.24 in the first half hour of trading. Analysts said traders were doing some cautious buying on the belief that worries about the economy had gone to unjustified extremes.

In a separate report, the Labor Department said Americans' average weekly earnings, after adjusting for inflation, increased 0.4 percent in September. Before adjusting for inflation, they totaled to $353.92.

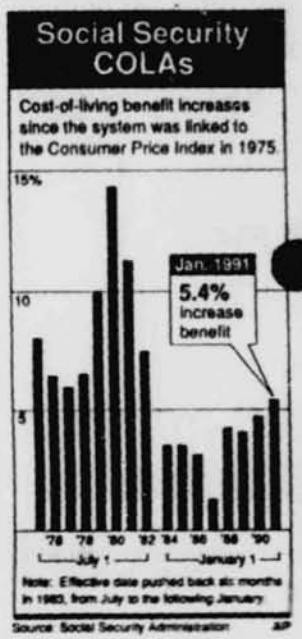
In the inflation report, energy prices in September jumped 5.6 percent, the worst rise on record since the department began tracking the sector in 1967.

Gasoline soared 9.5 percent, the worst increase in 17 months, and fuel oil rose 15.9 percent. For August and September together, gasoline rose 17.9 percent and fuel oil was up 33.7 percent.

Electricity and natural gas charges also rose, but less steeply.

For the first nine months of the

(See INFLATION, Page A2)



U.N. chief says war possible

Iraq offers to sell oil for $21 per barrel, about half of market price

By The Associated Press



Herald Photo/Tamara Sneddon

Blowing leaves

Rhett Murphy mows a lawn on 500 West Wednesday, leaving colorful autumn leaves in his wake. The forecast calls for rain tonight and tomorrow.

Snow far outspends Orton

By PATRICK CHRISTIAN
Herald Staff Writer

Third Congressional District Republican candidate Karl Snow is outspending his Democratic opponent nearly 3 to 1.

Snow has spent $171,690 and Orton $60,171 so far in their campaigns.

Campaign spending levels were revealed this week in Federal Election Commission campaign finance disclosure statements that were due Monday.

Among the latest contributions was a $5,000 contribution from the United Steelworkers of America political action committee to Orton.

The steelworkers' union represents steelworkers at Geneva Steel in Vineyard.

Snow received $6,250 from mostly white-collar interests at Geneva.

FEC law prohibits corporations like Geneva Steel from donating company funds unless they establish a separate segregated fund — known as political action committees.

But executives are free to contribute as individuals.

Geneva President Joseph Cannon and his wife Janeal both donated $1,000 each in the latest FEC disclosure period from July 16 to Oct. 15.

The Cannons had also contributed a total of $2,000 to Snow in earlier reporting periods.

Other contributions came from at least six other Geneva executives, this latest period.

During the reporting period, Snow spent $58,708 and Orton spent $19,233.

The reports show Orton had $8,021 on hand and Snow had $6,598.

Snow returned Wednesday from a campaign fund-raising trip to Washington, D.C.

Contributions to Snow during the reporting period amounted to $55,464, bringing total contributions to Snow to $142,234. Orton received

(See FINANCE, Page A2)

LDS leader goes home

SALT LAKE CITY (AP) — Mormon Church President Ezra Taft Benson has returned home after being hospitalized nearly a month.

Benson, 91, underwent two operations to remove subdural hematomas and later was treated for unrelated gastrointestinal bleeding. He left the hospital Wednesday, said church spokesman Don LeFevre.

Benson's daily schedule had been somewhat curtailed for the past few years owing to his advanced age. However, he attended weekly meetings of the Council of the Twelve and First Presidency in the Salt Lake Temple prior to his surgeries.

"His doctors will keep a

Senate debates proposal to raise taxes on wealthy

WASHINGTON (AP) — The Senate was asked today to raise taxes on the rich and moderate a Medicare premium increase as it struggled to complete work on a deficit reduction plan.

"Do we want to ask senior citizens in the hospital to pay more so the wealthiest in our society can pay less?" asked Sen. Albert Gore, D-Tenn.

The amendment, sponsored by Gore and Sen. Barbara Mikulski, D-Md., would scale back the increased gasoline tax and Medicare premiums and substitute a House-approved, three-pronged attack on those with higher incomes.

A key ingredient of the deficit plan is a 9½-cent increase in the gasoline tax. The Senate voted yesterday to leave that provision intact.

The Gore-Mikulski amendment is one of more than two dozen ready for Senate consideration, many of which are designed to move the Senate bill closer to the soak-the-rich package that won House approval Tuesday.

The amendment would be attached to a measure raising taxes and reducing benefit programs by $250 billion over the next five years.

The Gore-Mikulski plan would raise from 28 percent to 33 percent the maximum income tax rate that applies to upper-income people; impose a 10 percent surtax on those with taxable incomes over $1 million; and raise to 25 percent the alternative minimum tax designed

(See BUDGET, Page A2)

would produce an annual inflatio rate of 9.5 percent.

The pickup in inflation this yea translated into the biggest boost i Social Security benefits in 8¹ years. Based on today's report, th government announced a 5.4 pe cent raise in benefits beginning i January for the 40 million Socia Security recipients.

In addition to boosting inflatior the Aug. 2 Iraqi invasion hurt th nation's merchandise trade deficit which jumped 2.4 percent in Au gust. Rising oil prices pushed im ports to a record high. The ga between imports and export climbed to $9.3 billion, the larges since January.

U.N. chie

Iraq offers to sell oil

By The Associated Press

U.N. chief Javier Perez de Cuel lar was quoted today as saying h sees little progress toward peace fully ending the Persian Gulf cr sis. He raised the possibility th Security Council could authoriz military action against Iraq.

At the United Nations, the fiv permanent Security Council mem bers have reached general agree ment on a draft resolution tha would require Iraq to pay fo damages stemming from its Aug. invasion of Kuwait, diplomats sai today.

Countries that have suffered ser ous economic losses stemmin from the invasion — such as Jo dan, India, Sri Lanka and Bangl desh — could apply for compensa tion out of Iraq's foreign asset which have been frozen, or fro future oil earnings, the diplomat said.

No date has been set for the fu Security Council to consider th matter.

In an interview with the Germa news magazine Stern, the secr tary general said the U.N. Securit Council "can't strengthen the en bargo and sanctions against Ira because everything possible ha already been done."

But Perez de Cuellar added h would "never be the first one t say there remains only a militar solution of the conflict," the mag zine said.

Iraq, meanwhile, said it was wil ing to sell oil for $21 a barre about half the market price. Th announcement appeared aimed trying to undermine the U.N.-o dered embargo on trade with Ira imposed to try to force an end the occupation of Kuwait.

Iraq already has offered free c to the Third World, but there ha been no reports of any take willing to get around a naval bloc ade.

On the diplomatic front, Sovi

Clean-air conferees decide on

N000152

rcus have applied for
sylum, and hope to
ir troupe in the Unit-

mbers of the Great
m Bom — nine per-
nd crew members and
ilies — applied for
asylum Wednesday,
they would be treated
nd blocked from pur-
ir careers if they re-
the Soviet Union.

scher, regional direc-
Immigration and Nat-
Service, said they
nted a one-year work
the INS began a 90-
ation.

could find to earn money to restart their troupe.

"The circus was our life. We will do anything to get it back," said Vadim Lomakin, whose act included chimpanzees who can ski.

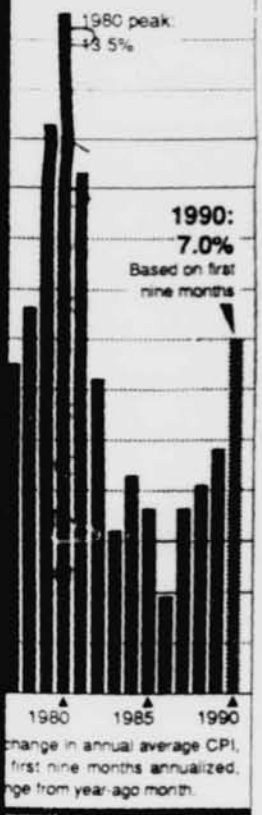
Last spring, 118 members of Bim Bom began a two-year tour of the United States. But they ran into problems with the tour promoter and went bankrupt after just two U.S. performances. Financial backers then pulled out and creditors seized the animals and equipment.

Bankrupt, the circus came here in May, hoping to raise money and get the show back on the road.

ATION:

on 1971-90

nds continue, consumer
ave climbed faster in 1990
ear since 1981



change in annual average CPI,
first nine months annualized.
nge from year-ago month.

pt. of Labor AP/Pat Lyons

Pollution

wing information is taken
Wasatch Front air pollu-
compiled by the Utah
Air Quality. The complete
available by telephone at

s as of 8 a.m. were as

esidential Areas
UNTY.....good
.....good
.....good
Downtown Areas
.....good

(Continued from Page A1)

year, consumer prices advanced at an annual rate of 6.6 percent, well above the 4.6 percent increase for all of 1989.

Analysts expect the bad news to continue through November or December, even if oil prices stabilize near $40 a barrel, double the July price. They anticipate a 1990 consumer price rise near 7 percent, the highest in nearly a decade. Prices increased 8.9 percent in 1981.

The oil shock will begin feeding through to chemicals, airline tickets and other energy-related products and services.

The big bite out of consumers' wallets is expected to slow an already sluggish economy.

"We're going into a recession, very clearly," said economist David Wyss of DRI-McGraw Hill.

Prices excluding energy rose a more moderate 0.4 percent in September, the same as the previous month. But the Labor Department noted several sectors of above-average inflation.

"While prices in most components of the index accelerated, the run-up for petroleum-based energy prices has had the largest effect," it said in its release.

Medical care was up 0.7 percent, bringing prices 9.3 percent higher than a year earlier.

Clothing costs were also up 0.7 percent in September. Men's and boys' clothing prices fell, but women's, girls' and infants' clothing costs rose, as did the price of shoes.

On a positive note for consumers, food and beverage prices rose a moderate 0.3 percent last month, the same as August. New car prices edged up only 0.1 percent after remaining unchanged in August. Car dealers beset with lagging sales have been unable to wean the public from rebate programs and discounted financing.

The Daily Herald
(I.S.S.N. #891-2777)
Second Class Postage Paid at Provo, Utah
U.S.P.S. ID #143-060
Published Daily by
SCRIPPS LEAGUE NEWSPAPERS, INC

ter Sen. Steven Symms, R-Idaho,

FINANCES:

(Continued from Page A1)

$15,830 recently and has total contributions of $27,510.

Snow also has led the way in using loans to finance political campaigning.

To date, Snow has borrowed $36,000 — including $9,050 in loans from his own personal funds; $25,000 in an unsecured loan from Zions First National Bank; $1,000 from Mary Killian of Provo, and $1,000 from Raymond E. Beckham.

Beckham ran unsuccessfully for the 3rd Congressional District in 1982.

To date, Orton has borrowed $25,000 from his personal reserves.

Among Orton's contributors are former Democratic U.S. Senator from Utah, Frank E. Moss who donated $100; KTKK "KTALK" Radio show host and long-standing Democrat Joe Redburn, $100, and $300 from the Utah County Democratic Party.

Donations to Orton from other political action committees include, $500 from the International Brotherhood of Painters and Allied Trades PAC; $5,000 from the Teamsters (union) Drive PAC; $1,000 from the Carpenters Legislative Improvement Committe PAC, and $1,000 from the American Federation of Teachers.

Among contributors to Snow's campaign are Victor Borcherds and his wife Suzanne, who each donated $1,000.

The Borcherds own the Excelsior Hotel and Seven Peaks resort. Earlier in the campaign, they donated a total of $2,000 to Snow.

The Utah Republican Party donated $1,500 to Snow, and the National Republican Congressional Committee donated $10,000.

Donations from polictical action commitees to Snow include, $5,000 from the American Medical Association PAC ; $3,000 from the OPHTH PAC, an organization representing ophthamologists; $1,000 from Independent Issurance Agents PAC; $500 from AT&T PAC; $1,000 from the Credit Union Legislative Action Council; $250 from the Chevron Employees PAC, and $250 from the Intermountain (Health Care) PAC.

(Continued from Page A1)

tes have the dirtiest coal-burning power plants, to seek additional pollution credits.

"The sticking point (on acid rain) will be how much pain will be inflicted on the dirtiest states," said Rep. Gerry Sikorski, D-Minn., whose state is among those that already have "clean" utilities and balk at helping the Midwestern utilities cut their pollution.

The air toxics agreement represents the first time the government would require factories and businesses to make dramatic reductions in the 189 hazardous chemicals, including many cancer-causing agents, they release into the atmosphere.

The new controls would force emission reductions not only on large petrochemical plants and factories, but also on smaller businesses such as dry cleaners, furniture refinishers and commercial boiler operators. The Bush administration estimates the controls would cost industry $6 billion to $7 billion a year by the year 2005.

Environmentalists lauded the compromise agreement.

"People can breathe a sigh of relief," quipped Daniel Weiss of the Sierra Club.

David Doniger of the Natural Resources Defense Council, said the new requirements will "make a very giant dent in the toxic air pollution in this country."

The compromise agreement on air toxics comes after lengthy closed-door negotiations that began last weekend and for a time were bogged down over whether to give the steel industry additional time to comply with the new pollution controls.





SEE MEA
FRYERS
Foster Farm. Ch
LINK SAU
Tri Miller. Lb.
PATTIES
Chicken Breast
LUNCH M
2½ Oz.
VEGETAB
Frozen Asst.
ZESTA S
2 Lb. Pkg.
SLOPPY
Manwich. 15
SHEDD'S
Country Croc
KETCHU
Squeeze. Heil
DOUBLE
Bow. Ratston
HOT CO
Swiss Miss
COOKIE
Sunshine. As
TOOTH
Soft. Reg. 1
ULTRA
Free shaker
HATS. GLO
Leggs Knit
TOW R
With books.
MIXIN
Asst. Sizes.
LOAF D
Pyrex
CUSTA

9704383076 1

The Daily Herald

Local

Monday
Oct. 15, 1990
A7

N000154

Snow, Orton battle on 'Take Two' show

By PATRICK CHRISTIAN
Herald Staff Writer

The two congressional candidates for the 3rd District squared off Sunday evening in a televised debate.

Democrat Bill Orton called an independent probe of his opponent, Republican Karl Snow, not actually independent because Snow paid certified public accountant Curtis G. Bramble to conduct the probe.

The probe was done to delve into reports of unclear connections Snow may have had to Michael Strand, a stock promoter convicted of federal securities fraud and non-payment of taxes.

"This is not an independent report," he said. And he said Bramble has also been a Snow delegate.

Snow said Bramble is a CPA, and CPAs are asked and paid by anybody to perform independent reviews.

KUTV moderator Rod Decker asked both candidates if they support Democratic Congressional proposals to add new taxes on the "super rich," and accused both of avoiding answering the question directly.

Snow finally indicated he wouldn't support current proposals to tax the rich and said the best budget plan is to freeze any budget increase at 4 percent of last year's budget.

Pinned down, Orton finally said he would not support any tax increase. He said his plan would be to remove the interest on the national debt off the budget and then institute a transfer tax on all financial transactions to pay off the interest.

He finally said that a transfer tax on all financial transactions would be below 1 percent.

Snow said another name for the transfer tax is a national sales tax. And he called Orton's plan regressive. He said the idea is not new and has not found sufficient support before in the Congress.

Asked by a telephone caller to the "Take Two" program about Snow taking money from the National Educational Association when the organization supports on-demand abortion, Snow said the NEA campaign donation came through the Utah Education Association, which is on the record of not supporting the same abortion stand as the national educational association.

Orton on abortion said he supports the Supreme Court on allowing states to establish certain restrictions on abortion on a state-by-state basis.

Decker tried to get both candidates to be more specific on how much land in Utah is best set for wilderness designation. Both candidates said they couldn't say.

"Give me a year in Congress and I can come back and tell you," said Orton.

One caller asked Orton why in Democratic forums he has supported the state Democratic platform but avoids identifying himself as a Democrat on his campaign posters.

Snow said Orton "seems to be shying away" from being a Democrat.

"I'm not ashamed," said Orton. He said he just wasn't much of a partisan.

Traffic congestion on meeting agenda

Citizens invited to air concerns about traffic on Provo's 2200 North/2230 North

By CHRISTI C. EVANS
Herald Staff Writer

Citizens concerned about traffic congestion on 2200 North/2230 North in Provo are invited to state their concerns and recommendations before the Provo Municipal Council during its regular council meeting Tuesday.

A public hearing has been scheduled for citizens to comment on the possibility of widening the road to two lanes each way, an option the city administration is now considering, said Council Chairman Gordon Bullock.

The council's regular meeting will begin at 7 p.m. in the Municipal Council Chambers at the Provo City Center, 351 West Center.

Currently, the road runs east to west between University Parkway and 900 East near the LDS Missionary Training Center. While the road contains two lanes of traffic each way on its western half, traffic must converge into one lane as it proceeds east across Canyon Road.

The road then opens up into two lanes each way again as it turns south and becomes 900 East.

This presents a safety hazard and inhibits traffic flow, Bullock said.

Bullock predicted the item would create a lot of interest with citizens in the area.

Widening the street may result in the elimination of on-street parking and possibly the removal of some frontage off the adjoining properties.

"There's a problem there and we've got to alleviate it somehow," Bullock said.

"We're looking for any practical recommendation from the citizens," he said.

Also on Tuesday's agenda is a presentation from LeRoy Dennis, city parks director. Dennis will present his views on the possible sale of property next to the Provo City Cemetery.

The council will have the opportunity to vote whether to keep the property for cemetery expansion or declare it surplus and sell the parcel.

Located just west of the cemetery on 600 South, the property was once the location of a cannery operated by The Church of Jesus Christ of Latter-day Saints.

Councilmembers must decide whether it is more feasible to expand the cemetery where it is or to purchase additional land for a cemetery elsewhere, Bullock said.

A resolution appointing Joanne Wilson to the city Media Review Commission will also be up for adoption.

Following the council meeting, the council will reconvene as the city redevelopment agency board to consider designating property west of East Bay as a redevelopment survey area.

This would allow the city to begin collecting information on whether the property, located between Interstate 15, University Avenue and 920 South, could benefit from being set aside as a redevelopment area.

The city would have greater control over development in the area if a redevelopment area is set up.

Property owners in the area have expressed concern that designating the property as a redevelopment area may hinder their plans to build a multi-story apartment complex on their property.

Glazier planning to 'market' conservation

Specialist calls conservation a 'win-win' situation

By CHRISTI C. EVANS
Herald Staff Writer

Scott Glazier is preparing to market energy conservation.

Armed with a bachelor's degree in marketing and 9½ years experience with Utah Power and Light, Glazier is beginning plans for long-term public education on methods to conserve energy resources.

Recently hired as Provo city's full-time conservation analyst specialist, Glazier said he feels his degree is an excellent background for his new position.

"Basically, we're going to have to market conservation," he said.

Ultimately, he hopes to provide educational seminars and workshops in the schools and for community groups to expose the public to new information and technology



Salt Lake Realtors hear candidates' positions

SALT LAKE CITY (AP) — Sev...

Bureau to monitor radon levels

Detectors to be installed in some local school buildings

SALT LAKE CITY (AP) — The state Bureau of Radiation Control will conduct a survey during the next year to determine if radon gas is seeping into 57 Utah school buildings.

Next month, special detectors will be installed in Salt Lake, Granite, Jordan, Provo, Alpine, Weber and Sevier district schools.

Buildings to be monitored are considered likely candidates for elevated radon concentrations based on neighborhood home tests taken in 1988, said John Hultquist, an environmental scientist with the bureau.

The schools' enrollment and proximity to the Wasatch Mountains also played a part in their selection.

Radon is a radioactive gas with no taste or smell, which is produced by decaying uranium in rocks and soil. It often concentrates in the lower levels of buildings with poor ventilation, Hultquist said.

Health officials say exposure to the gas for long periods of time, can increase the risks of lung cancer, especially with young children, Hultquist said.

The Environmental Protection Agency estimates that exposure to radon causes about 20,000 lung-cancer deaths annually in the U.S.

The study, which costs between $15,000 and $20,000, is being paid through an EPA State Indoor Radon Grant. The Bureau of Radiation also is working in conjunction with the Utah Geological & Mineral Survey.

The bureau will provide the detectors, survey instructions and other support information. Districts, in turn, will be responsible for placing the detectors in appropriate areas, keeping records and periodic checking.

Jordan District Superintendent Raymond W. Whittenburg said schools are required by the government to check for radon. The state survey gives local districts a chance to accomplish that without spending tax dollars.

Hultquist said the Bureau of Radiation conducted a study in 1988 which showed homes built after the 1970s tended to exceed the EPA standards for radon.

"The newer homes are tighter and more energy efficient," he said. "They don't have the drafts and ventilation that older homes do."

If problems are revealed through the study, Hultquist said the bureau will work with the schools to fix heat and air conditioning units or create better ventilation so radon is no longer a problem.

Poll shows Snow's lead increasing

SALT LAKE CITY (AP) — Karl Snow has increased his lead on Bill Orton in their battle for the states 3rd Congressional district seat while incumbents in the 1st and 2nd districts hold comfortable leads over their challengers, a poll shows.

The Utah Poll by Bardsley & Neidhart Inc. published in the Salt Lake Tribune said although Orton has gained ground since July, he hasn't capitalized on his heated battle with John Harmer in the September primary. In fact, Snow's lead has increased over Orton since the first week in September.

Results from the 3rd District race also show a schism along religious lines. Snow enjoys 57 percent of the Mormon vote while 60 percent of non-Mormons would vote for Orton. Utah County also leans heavily toward Snow, 62 percent to 25 percent.

It's unlikely that Orton can overcome a 15 percent deficit before the election in a district dominated by the GOP, pollsters Laura Neidhart and John Furgurson said.

In the 2nd District Democratic Rep. Wayne Owens appears to be headed for his third consecutive win over Republican challengers. Owens now holds a 22 point lead over Genevieve Atwood.

The tight race between Atwood and Dan Marriott in the primary might be hampering Atwood's chances in the general election. Atwood received only 55 percent of the Republican vote in the recent poll.

In the 1st District race, five-term Congressman James Hansen leads Democrat Kenley Brunsdale 61 percent to 23 percent.

Hansen has solid support among Mormons, but results show his support drops consistently with age. Among 18- to 29-year-olds, Hansen received 73 percent of the support. Among those over 60 he received 48 percent.

Reva Marx Wadsworth has 6 percent of the vote and represents the most successful independent candidate in all three congressional races.

The poll was conducted by telephone between Monday and Thursday of last week. Results for district races are based on a sample of approximately 300 registered voters with a standard error of 5.7 percent, plus or minus.

Obituaries

Lucille Olpin

Lucille Harman Olpin, 81, of Salt Lake City, died Oct. 14, 1990, in a Salt Lake City care center.

She was born Aug. 4, 1909, in Salt Lake City, to Isaac Reese and Ethel Wilkinson Harman. She married Ralph S. Olpin, June 17, 1935, in Stanford, Calif. Their marriage was later solemnized in the Salt Lake LDS Temple.

She was a member of The Church of Jesus Christ of Latter-day Saints.

She graduated from American Fork High School, University of Utah, Brigham Young Unviersity, and LDS College of Nursing. She was a registered nurse, and had been a supervisor at the LDS Hospital in Salt Lake City.

She was a member of the Society of Western Artists, and displayed her art throughout the West.

She is survivved by her husband, Salt Lake City; one son, Robert S. Olpin, Salt Lake City; four grandchildren; one sister, Ruth H. Peterson, American Fork.

Ruby Bradford

SPANISH FORK - Ruby Warner Bradford, 88, died Oct. 13, 1990 in Clearfield of causes incident to age.



She was born Sept. 8, 1902, in Spanish Fork, the daughter of John Fox Warner and Annie Elizabeth Holt Warner. She married Harvey Miles Bradford on December 14, 1921 in the Salt Lake LDS Temple.

He died in 1979.

She was educated in Spanish Fork Schools and worked as a telephone operator for a short time. She was a member of the Daughters of the Utah Pioneers. She was also a member of the Spanish Fork Senior Citizens.

She was a member of The Church of Jesus Christ of Latter-day Saints, and

Nader target

WASHINGTON (AP) — Consu er advocate Ralph Nader says t reasons the federal governme won't clean up and reform its are Sens. Jake Garn and Orr Hatch.

The two Utahns Republicans a among 17 senators, all Repub cans, Nader's Public Citizen watc dog group has given ratings of ze

Report shows

SALT LAKE CITY (AP) — Ma jor crimes in Utah's capita dropped by one tenth of a percer last year, but murders and rape increased along with nonviolent of fenses, a police report shows.

The annual report compiled b the Salt Lake City Police Depart ment found that lesser crime jumped by nearly 5 percent in 1989 and calls for police assistance ros from about 125,000 in 1988 to 124,00 last year.

There were 18 homicides in Sal Lake City during 1989, compared t 16 the year before. So far this year, police have investigated 1 reported murders.

Cattlemen sa

SALT LAKE CITY (AP) — Utal livestock producers are angry about a proposal before Congres to increase grazing fees on publi land by nearly 500 percent.

An amendment to the Interio Department appropriations bill due to be voted on Monday, would increase grazing fees over a four-year period from the present rate of $1.81 per animal unit month to $8.70.

Stockbroker cl

SALT LAKE CITY (AP) — A Salt Lake City stockbroker has been indicted on securities fraud charges involving the purchase and sale of stocks valued at about $50,000.

Michael Scott Langheinrich, 32, is charged with securities fraud, interstate transportation of stolen securities and the sale of stolen securities. He was indicted in a

Cale

Tuesday

USDA commodities

USDA surplus commodities are again

Orem Chamber of Commerce at 224-3636 no later than Tuesday.

BYU devotional

N000155

9704383076 3

The Daily Herald

Friday
Oct. 19, 1990
B4

"One learns in life to keep silent and draw one's own confusions."
— Cornelia Otis Skinner, (1901-1979)

Opinions

Risks in perspective

Herald comment

The Environmental Protection Agency recently released a report that received little notice but nonetheless may herald a change in the way the Bush administration conducts environmental business. The EPA tacitly conceded responsibility for overestimating certain environmental risks, while also acknowledging that the federal government is spending far too much money to reduce some risks only marginally.

Examples abound. The new Clean Air Act, for instance, will require the expenditure of up to $50 billion a year on pollution control. Yet the EPA estimates the maximum health risk posed by air pollution at 2,700 deaths a year. Many experts believe this number, which is based on computer models, is exaggerated. Yet, even if the Clean Air Act would eliminate all deaths related to air pollution — which it will not — the cost of the Clean Air Act translates into $16 million per fatality.

Another example is asbestos. Currently there are about 150,000 damage claims against makers of asbestos products clogging up the nation's courts. This traces back 12 years ago to an inflated forecast by the Department of Health, Education and Welfare of 67,000 asbestos-related deaths a year. That figure has since proven to be off by at least 95 percent. But no matter, the cost or reducing the risk of asbestos could ultimately amount to $100 billion.

This is not to dismiss the risks posed by pollution or asbestos or any other evironmental concern, but merely to suggest these risks be put into proper perspective. For instance, alcoholism and drug abuse kill 380,000 Americans a year, yet the federal government spends only a pittance to reduce that risk.

This dichotomy is due to the fact that unbalanced solutions have often been imposed by Washington during the last two decades. The environmental lobby has held considerable sway with EPA and other agencies that set federal risk standards. Most important, perhaps, the environmental movement has conditioned many Americans to fear even miniscule risks.

The result is that environmental risk standards are fast approaching the point where only one in a million is acceptable. If applied to everyday life, such standards would be absurd. For example, traveling in an automobile would be ruled out as far too risky if traditional environmental standards were applied.

The EPA document is a direct challenge to Washington's environmental establishment. It acknowledges the diminishing returns from current federal efforts to reduce environmental risks. And it promises federal policies in the future that offer a more balanced approach. We hope the promise is kept.



Letters

Formed conclusions

Editor:

We have read the articles about Karl Snow in your paper, and have come to the following conclusions.

1. Karl Snow is not a canny investor.

2. His reading of the "green file" differed from that of the government, and after trying to convince the government that the case against Strand was improperly conducted he lost and the government won. Since we have not read the green file we can not say who was right, but Karl Snow did Evita has done good to many people.

Who did they benefit with this play? Only themselves with the money people pay to watch this display of perversion and rape of the moral and truth. Where did they research to elaborate their dark ideas? It is unknown to me. I have lived in Argentina and have been involved in politics. I hold Evita's good name high. I admire and love her for what she dared to do. She was a great soul who refused to accept the twisted mediocrity as a standard of life. Maybe the play was well acted, maybe the music was well done and even the lights were well

Nailing it down, White House style



Mike Royko
TRIBUNE MEDIA SERVICES

We interrupt our regular programming to go to the White House for a live broadcast of a presidential press conference. It is now in progress.

Mr. President, have you decided how high a tax increase for the rich you will accept?

"I will not increase the tax rate for the rich."

You say you will not?

"Not what?"

Increase the tax rate for the rich.

"Yes, I will accept an increase in that rate."

But you just said you wouldn't.

"When?"

Just now.

"Oh, back then. Well, that was quite a

"I thought we settled that."

No, Mr. President, your position isn't clear.

"Not clear to who?"

It's not clear to me.

"Are you rich?"

"Words in my mouth again. You're putting them there. A maybe is a maybe."

But won't people think you are vacillating?

"No reason to think that when I've taken a firm stand with a maybe."

Doesn't a maybe mean that you don't know if you will or you won't?

"Will or won't what?"

Raise the taxes on the rich.

"Back to that again?. Read my lips: m-a-y-b-e I w-i-l-l, m-a-y-b-e I w-o-n-'t."

I'm sorry to press you on this, Mr. President, but do you know if you will or you won't?

"Maybe I do and maybe I don't."

Is that a firm maybe?

"Maybe it is and maybe it isn't."

You can't say if it is a firm maybe?

N000156

inflated forecast by the Department of Health, Education and Welfare of 67,000 asbestos-related deaths a year. That figure has since proven to be off by at least 95 percent. But no matter, the cost or reducing the risk of asbestos could ultimately amount to $100 billion.

This is not to dismiss the risks posed by pollution or asbestos or any other environmental standards were applied.

The EPA document is a direct challenge to Washington's environmental establishment. It acknowledges the diminishing returns from current federal efforts to reduce environmental risks. And it promises federal policies in the future that offer a more balanced approach. We hope the promise is kept.



Letters

Formed conclusions

Editor:

We have read the articles about Karl Snow in your paper, and have come to the following conclusions.

1. Karl Snow is not a canny investor.

2. His reading of the "green file" differed from that of the government, and after trying to convince the government that the case against Strand was improperly conducted he lost and the government won. Since we have not read the green file we can not say who was right, but Karl Snow did nothing wrong by trying to obtain a fair hearing for someone who he thought had been wrongly dealt with. We do not suppose Karl Snow is the first to believe that an acquaintance, or friend, has been treated arbitrarily by the government.

3. That if playing the penny stock market in hopes of hitting it rich is grounds for attacking someone seeking public office in Utah, a substantial majority of the state is in jeopardy.

4. We have tried to understand why the Herald has spent so much time and ink on what seems to be a non-issue. Our conclusion is that regardless of your motives — we are willing to grant that they may be disinterested and spring from what you conceived to be the public interest — the results are the same as if your motives were mean spirited. By the use of innuendo and insinuation you have done unconscionable damage to Karl Snow's reputation. Your technique is the technique of the repeated question: What did Karl Snow know about Strand and when did he know it? By repeating the question over and over again in a variety of ways and in a series of articles that you treated in some cases as front page news, you have inescapably created in the public's mind a belief that there is somewhere in Karl Snow's past, even though you have not been able to find it, a "smoking gun" that would expose him as being party to a Strand led conspiracy to defraud the public. In the process you have done a "job" on Karl Snow and have attempted to do a "snow" job on the public. It won't wash.

Karl Snow's excellent record as a state legislator and as a public servant, his understanding of the issues that concern voters in the 3rd district amply justify the confidence they placed in him at the primary election: a confidence he will certainly repay as a member of Congress.

Willard H. Gardner
Provo

Martin B. Hickman
Provo

Offensive play

Evita has done good to many people.

Who did they benefit with this play? Only themselves with the money people pay to watch this display of perversion and rape of the moral and truth. Where did they research to elaborate their dark ideas? It is unknown to me. I have lived in Argentina and have been involved in politics. I hold Evita's good name high. I admire and love her for what she dared to do. She was a great soul who refused to accept the twisted mediocrity as a standard of life. Maybe the play was well acted, maybe the music was well done and even the lights were well focused, but nothing is a good excuse to attend this moral rape of the truth.

Daniel Gunter
Provo

Legal bribery

Editor:

I would vote, without hesitation, for any man who simply states: "I'm the best politician money can buy!" After all, isn't that what the craft is all about?

Bribery is the way of politics. "Political Action Committees" and "Individual contributions by politically concerned employees within this company" and "The wholehearted support of this union is squarely behind the stated policies of candidate Tom Jones," are all bribes made "respectable" by laws formulated by the bribed.

In about 1740, an academic at Harvard University wrote about the democratic ideals of a Greek democracy. In his paper he points out that a democracy soon realizes that it may vote itself "largess" from the public treasury. At that point, he theorizes, democracy is doomed.

Take courage! Our "leaders" are a good buy! A minor customs official in South Africa might cost $50,000 to $100,000. Here in the good old U S of A you can get a representative or senator for that price.

Even a mayor or county commissioner can be marketed for $5,000 or $10,000. Besides, with our easy payment plan, it's possible to trade stock, real estate, business deals, or even tax considerations for your support; without which they would be ordinary citizens. Like you.

George E. Robinson
Orem

Borders on hopeless

Editor:

A recent article in the Herald stated that

Nailing it dow



We interrupt our regular programming to go to the White House for a live broadcast of a presidential press conference. It is now in progress.

Mr. President, have you decided how high a tax increase for the rich you will accept?

"I will not increase the tax rate for the rich."

You say you will not?

"Not what?"

Increase the tax rate for the rich.

"Yes, I will accept an increase in that rate."

But you just said you wouldn't.

"When?"

Just now.

"Oh, back then. Well, that was quite a while ago. Situations are fluid. Got to keep up with change."

So you definitely will accept a higher rate for the rich.

"Of course I won't."

But you said you would.

"No, I said I won't."

But I have it right here in my notes. You said you won't. Then you said you would. And now you say you won't.

"That's right. You see, two won'ts is more than one will. So my two won'ts outnumber my one will. Therefore, the won'ts win, 2-1."

But how do you think the nation's hard-pressed middle-class will react to your refusal to increase the tax rate for the rich.

"Who says I've refused?"

You did.

"When?"

A moment ago.

"Conditions have changed since then."

Since only a moment ago?

"Fast-paced world. Got to stay flexible."

Then you are not going to refuse?

"I didn't say that. I asked you who says I've refused? You're the one who said I refused. I didn't. Words in my mouth. Don't put them there."

Then you are not going to refuse?

"Refuse what?"

To raise the tax rates for the rich.

"I th
No,
clear.

"Not
It's n
"Are
No.

"The
I'm
great
where

"Hov
How

"Yo
to kno
great
I do
that it

"Yo
are s
can I
data?"

Well
percer
pay h
this re

"In
So
tax in

"No
But

"Ye
would
twice.
We h
mayb
Is t

N000157

Puerto Ricans cc



WASHINGTON — Two Southern Democratic senators flew down to a beach hotel in Puerto Rico last month and came back with about $75,000 for the Democratic Party.

Why would a poor commonwealth with less than half the per capita income of Mississippi donate that kind of money when its people don't even have a voting representative in Congress? Because if Puerto Ricans can't influence Congress with votes, they can still win friends and

Strand and when did he know it repeating the question over and over in a variety of ways and in a series of articles that you treated in some cases as front page news, you have inescapably created in the public's mind a belief that there is somewhere in Karl Snow's past, even though you have not been able to find it, a "smoking gun" that would expose him as being party to a Strand led conspiracy to defraud the public. In the process you have done a "job" on Karl Snow and have attempted to do a "snow" job on the public. It won't wash.

Karl Snow's excellent record as a state legislator and as a public servant, his understanding of the issues that concern voters in the 3rd district amply justify the confidence they placed in him at the primary election: a confidence he will certainly repay as a member of Congress.

Willard H. Gardner
Provo

Martin B. Hickman
Provo

Offensive play

Editor:

I think about the play "Evita" as an offense to the Argentinean people and to the people who in one way or another have consecrated their lives for the benefit of the disadvantaged ones.

Eva Peron has done more for people in her short life than most of the women and men I have known or read about. She has been with the poor and needy, with the sick and afflicted; she constructed hospitals and places where orphans and elderly people could go to live with dignity. She protected the children, women and elderly people and gave them civil rights they did not have before. There was no late or early hours to help the afflicted. She has given her life and her soul to help the poor victims of social abuse.

She has risked her life on numerous occasions for the sake of the "exploited others." She had noble motives because she was a noble woman. A calculative whore does not do what she did. And now two nobodies come along seeking fame and fortune (the same things of which they have accused Evita) and write a play full of foul thoughts and misleading concepts but of course sensationalist, and stain the name of one of the greatest women of the century.

In about 1740, an academic at Harvard University wrote about the democratic ideals of a Greek democracy. In his paper he points out that a democracy soon realizes that it may vote itself "largess" from the public treasury. At that point, he theorizes, democracy is doomed.

Take courage! Our "leaders" are a good buy! A minor customs official in South Africa might cost $50,000 to $100,000. Here in the good old U S of A you can get a representative or senator for that price.

Even a mayor or county commissioner can be marketed for $5,000 or $10,000. Besides, with our easy payment plan, it's possible to trade stock, real estate, business deals, or even tax considerations for your support; without which they would be ordinary citizens. Like you.

George E. Robinson
Orem

Borders on hopeless

Editor:

A recent article in the Herald stated that Judge Raymond S. Uno is trying to narrow the issues to be argued in a three day hearing beginning November 27 for lawyers seeking a new trial for Ronnie Lee Gardner.

The article also stated that Burdell was killed and Nick Kirk critically wounded when a woman slipped Gardner a gun while he was being transported to court for a homicide hearing April 2, "1985." For more than five years taxpayers have been paying expenses that should have stopped April 2, 1985!

The frustration and disgust of taxpayers borders on hopelessness, as both time and money are continually squandered on legal technicalities. Is there any doubt that at least Burdell was killed by Gardner? It is no wonder that the government can't live on the high taxes it receives and that an expensive courthouse had to be built in Provo to provide security for these legal games.

Elections next month provide us another opportunity to elect good men to office. It may be impossible for any one to pass laws that a smart attorney can't twist, but a time can be set after which the government will not finance their appeals.

John H. Adams
Provo

"Fast-paced world. Got to stay flexible.

Then you are not going to refuse?

"I didn't say that. I asked you who says I've refused? You're the one who said I refused. I didn't. Words in my mouth Don't put them there."

Then you are not going to refuse?

"Refuse what?"

To raise the tax rates for the rich.

Puerto Ricans

WASHINGTON — Two Southern Democratic senators flew down to a beach hotel in Puerto Rico last month and came back with about $75,000 for the Democratic Party.

Why would a poor commonwealth with less than half the per capita income of Mississippi donate that kind of money when its people don't even have a voting representative in Congress? Because the Puerto Ricans can't influence Congress with votes, they can still win friends and influence people on Capitol Hill with money.

The Caribbean commonwealth is teeming with political party animals who know how to wine and dine Washington when there is something they want. And the influential politicos who hosted the Democratic fund raiser want to derail the popular Puerto Rican movement toward statehood.

The quickie fund-raiser for the Democratic Senatorial Campaign Committee was held at the Dorado Beach Hotel outside San Juan. Sens. John Breaux, D-La., and Robert Graham, D-Fla., were the guests from across the water. Puerto Rican business owners and other locals paid $5 each to schmooze with them at cocktails and $2,000 to eat with them.

Miguel Lausell, the national committeeman for the Puerto Rican Democratic Party who organized the festivities, says the fund-raiser had nothing to do with the statehood issue now pending before Congress. Lausell is a close friend and former cabinet member of Puerto Rican Gov. Rafael Hernandez Colon — an outspoken opponent of statehood.

Sources in the statehood movement told us that they also offered to host the fun

9704380765

N000158

Also in this section:
- ☐ Obituaries B3
- ☐ Opinions B4
- ☐ Lifestyle B6-B8

Local

Committee review of BYU standards gaining at

Lee wants BYU's honor and dress code to keep up with changing styles

A committee that has been organized to study Brigham Young University's Honor Code and Dress and Grooming Standards is already earning a lot of attention.

BYU President Rex E. Lee formed the 15-member ad hoc committee to review BYU's Honor Code and Dress and Grooming Standards to keep up with the changing styles and behaviors that are evolving.

The committee's formation was received with mixed reviews from students — some supporting the need for a review others stating more indifference to the dress code.

Lee said, in a press release Tuesday afternoon, "We feel strongly that our Honor Code and Dress and Grooming Standards contribute significantly to the spiritual, moral and intellectual development of our campus community."

There are code and standard aspects which are doctrinally founded and they will not change, he said.

"At the same time, as new issues emerge and dress modes and behaviors evolve, we see a need to update our standards so they can address these changes," the president explained.

Student Life Vice President R. J. Snow was appointed as committee chairman. The committee is expected to have a recommendations for the President's Council by the end of November. Ultimately, The Board of Trustees will review and approve any changes.

The committee will examine the code and standards to consider their substance, their effect on campus life and the way they are administered, Snow said.

"We will talk about the relevance of specific items in the honor code and dress and grooming standards," Snow explained. "This will be a review, not a redo of the code and standards.

"The code and standards are important in defining conduct for our community," Snow said. "They establish the basis for living with each other. We want to enhance the desire of our community to maintain the standards and not perceive them as punitive."

John Day, executive director, BYU Student Association Ombudsman and Honor Code representative, said he represents the students and their views on the committee.

"We are trying basically to find out whether or not if anything could or should be changed," he said.



"You can review (the standards), but I don't think they need to be changed."

— Janis Garner, Clifton, Idaho



"I think the issue about guys wearing socks should be looked at, but I don't think it's that critical of an issue."

— Carol Nixon, Mapleton



"My attitude is it's a private school and they have the right to dictate the standards ... I chose to come here to school."

— Spence Weiler, Palo Alto

Through the student advisory council, Day hopes to find out as much as possible from the students about what they expect to a dress and standards code to reflect.

BYUSA President Brett Blake said, "It's about time. It's for the students, faculty and staff. It's a general consensus that it has to be done."

Blake added that there is considerable concern about the enforcement of standards.

"I think the students want a clarification if anything," Blake said, "and there is only a small percentage that would like to see a change."

The committee is soliciting comments from the campus community. Signed suggestions should be sent to Snow's office at A-333 ASB or given to any member of the committee.

Janis Garner, a student from Clifton, Idaho, said, "You can review them but I don't think they need to be changed."

Another student, Carol Nixon, of Mapleton, didn't see the need to actually change anything, but there are some points that need to be reviewed.

"I think the issue about guys

Orton calls for forum on Snow's stock dealings

By the Associated Press

Third District congressional candidate Bill Orton is calling on his opponent, Karl Snow, to clear the air about Snow's involvement with Michael Strand and a penny stock scheme.

Orton has written a letter to Snow saying the issue crops up every time they debate.

"Clearly, many people are not convinced that they have received all of the information," said the Democratic Orton. "Until the questions are thoroughly aired and all the issues dealt with, they will continue to consume valuable time in this campaign."

Orton wants Snow to hold a public forum in which "the press, public investors and anyone else with an interest" can review the issue.

"Once this is done and reported, the voters can decide where the truth lies," Orton said.

Orton and Snow are battling for the 3rd Congressional District seat being vacated by retiring four-term Republican Rep. Howard Nielsen. Nielsen has endorsed Snow.

At issue is Snow's involvement with Strand, a convicted stock swindler and his dealings with the failed merger of a Strand-promoted company, Global Oil, and another company, Unique Battery.

Snow's name appears on 180,000 shares of Global stock and he was named to the company's board of directors during a time the former state senator was lobbying Justice Department officials to reconsider Strand's 1978 tax evasion conviction.

Snow said he was unaware of the gift stock and denies any wrongdoing. Strand has since said he used Snow's name and political position without the candidate's knowledge to increase interest in the stock.

Orton said he is upset that, during a debate on KUTV's "Take Two" last Sunday, one-third of the program was spent talking about the stock.

He said he has commented on the matter only in direct response to questions posed me about the report issued by Snow's CPA and attorney.

That report, released more than a week ago by Provo CPA Curtis S. Bramble, may have cleared Snow of wrongdoing but left some questions unanswered, Orton said.

Orton also questions the independence of Bramble's report, since he was Snow's personal accountant and was a Snow delegate during the state Republican Convention.

Snow campaign spokesman Clark Caras dismisses Orton's request as a "last ditch ploy to pull voters away from issues of a balanced budget, the Persian Gulf situation and pertinent issues."

Conservancy district C

By JOSEPHINE ZIMMERMAN
Herald Staff Writer

The Central Utah Water Conservancy District conducted a public hearing Thursday afternoon on three items, then voted to approve them. The items were as follows:

- Reopening the 1990 budget to transfer $450,000 from the Restricted Reserve Fund to the Capital reserve Fund for the Duchesne County Upper Country Water Improvement District. Funds may not be expended without further approval of the board.
- Reopening of the 1990 budget for repairs on the Trial Lake Dam in the amount of $1,700,000. These funds will be reimbursed by the U.S. Bureau of Reclamation.
- Disposal of a loan on the Duchesne Aqueduct. This will be acted upon by the board if the Duchesne County Upper Country Water Improvement District comes together.

Mayor Rogene Addley of Duchesne, Ted Kappen and John Swasey, all representing the water improvement district, were on hand for the public hearing.

Kappen told the board that the Bluebell area is particularly in need of the water project. Many wells have gone dry, and others have acid in the water which went into the underground system when an oil well was acidized. Others have salt content that erodes the water lines, he said.

He said some people have to haul water in order to flush their toilets and can only flush them twice a day.

"One woman put her clothes in the washing machine and when she took them out they were full of holes from the acid in the water," he reported. "There's brine and oily taste in the water in 10 to 15 percent of the homes."

Kappen said there are around 500 homes in the entire area that would be served by the water district.

Last month the board agreed to finance 34 percent of the water project, in keeping with board policy.

Board member Harley Gillman said the project would be extremely expensive for residents of the area.

Board member Gerald Maloney, who chaired an ad hoc committee that met with representatives of the area to discuss the water project, said looking at the project, shows it is not cost effective.

"But when you don't have a drink of water, you are willing to pay the cost to get water."

Kappen said the residents are willing to pay $50 per month to have water.

Board member David Holdaway

UDOT rep: Canyon road expansion is county's largest traffic-related problem

By CHRISTI C. EVANS
Herald Staff Writer

The expansion of the Provo Canyon Road is the biggest traffic-related problem in Utah County, mainly due to the project's cost, said a Utah Department of Transportation representative Thursday.

Dan Nelson, director of UDOT District 6, addressed the Provo Canyon Road and other county traffic problems during the second annual Provo-Orem Chamber of Commerce Community Leadership Conference.

Only $17 million is allocated annually for the project, Nelson said. UDOT can design anything and build almost anything, but it is impossible without the funding, he said.

"We feel that we can complete Provo Canyon in 10 years if the funding level stays where it is," Nelson said.

The biggest lesson learned through the controversy over building a four-lane highway in Provo Canyon was of being sensitive to the environment, Nelson said.

"The best thing to come out of the lessons of Provo Canyon is we have to be sensitive to our own

against construction to delay the project, he said.

When asked if it was possible to ban semi-trucks from the canyon, Nelson said trucks can be banned from a state highway if it is determined a reasonable alternative exists for them.

The state Bureau of Air Quality must also show removing the trucks would cause a significant impact on air quality for a ban to be put in place.

A ban may not be implemented without the approval of the U.S. Department of Transportation, Nel-



9704383
N000159

Snow decries fee

PROVO — The House passage this week of a grazing fee increase of 500 percent will devastate the economy of Utah's 3rd Congressional District and hits the ranching industry hard at a time when it is already down, according to Republican 3rd District congressional candidate Karl Snow.

Snow, who last week traveled to Washington for a three-day fundraising swing through the capital, was on the Hill when the vote was taken and expressed both outrage and disappointment in the 251-255 vote.

"Farmers and ranchers in Utah's 3rd District are already suffering through the third year of drought," Snow said. "Market prices for their product, whether it be beef or lamb and wool, are down and many have already gone under this past summer. There couldn't be a worse time than this to pass such an outrageous increase in the fees."

Snow, Orton lambasted

SALT LAKE CITY — Congressional candidate Karl Snow's claim to be a conservative is the biggest snow job being played this fall on true conservatives in the 3rd District, says American Party congressinal candidate Robert Smith.



Robert Smith

Smith said Snow claims that Congress is not corrupt, despite the fact that eight congressmen are under indictment for felonies while many other members are guilty of serious misdemeanors. Snow's views on education give him away as a liberal, Smith added.

"He (Snow) supports federal government-controlled education and receives money from the National Education Association, which is currently supporting political activities in schools that promote gay and lesbian lifestyles, feminist issues, death education and socialist/globalist ideas that which most of us in this state disagree."

Smith decries as well the political stance of Democratic candidate Bill Orton.

"Both Snow and Orton have stated that they believe that government should continue to subsidize education, including loans to students and private business, along with other illegal spending.

9704383076 7

We would like to from you!

How do you like the "new" Jou

The Utah County Journal has been coming to your home for nearly twenty years now. Ov content of the paper has changed to better serve the readers and the advertisers of the J

In recent weeks we have made major steps in turning the Journal into the kind of newspa need and deserve. We would like to know how you like our new "window on the world."

Would you take a few moments to r

Using "0" as no interest and "10" as high interest please rate the following in order of

- ☐ The overall "new Journal"
  - ☐ Editorial content
  - ☐ Three weekly issues
- ☐ National and world news
- ☐ Local and state news
- ☐ Sports news
  - ☐ Local sports coverage
  - ☐ National sports coverage
- ☐ Church news for all faiths
- ☐ Entertainment news
- ☐ Business news
- ☐ Outdoor news
- ☐ Wedding announcements
- ☐ Obituaries
- ☐ Birth notices
- ☐ Sunday color comics

Special Features ar

- ☐ Officer "Blitz" Kree
- ☐ Inside sports - Pat
- ☐ Andy Rooney
- ☐ Charles Kuralt
- ☐ Down Home with .
- ☐ Police Beat
- ☐ Court Reports
- ☐ Brigham's Bees S
- ☐ Opinions of Reade
- ☐ Comments

_____

_____

_____

Voluntary Subscriptions

To help offset the major expenses involved in bringing competent news coverage to all Utah Cc barked on a new "voluntary pay" subscription program. It works much like those of public broad present Journal and would like to encourage the growth and addition of other pertinent features monthly, semi-annual or annual basis.

As our subscription base increases, the Utah County Journal will be able to add more features would appreciate your response as to what you would like added to the paper. Please number i

- ☐ Television listings
- ☐ Indepth coverage of education and schools
- ☐ Expanding news centering on each of our communities
- ☐ More local sports coverage, including high schools
- ☐ Additional national
- ☐ Increased national
- ☐ Child rearing and h
- ☐ Other_____

Thank you for your response. Please clip and mail the survey portion to the Utah County Jou the type of newspaper you and your neighbors want.

N000160

political activists in school [illegible] gay and lesbian lifestyles, feminist issues, death education and socialist/globalist ideas that which most of us in this state disagree."

Smith decries as well the political stance of Democratic candidate Bill Orton.

"Both Snow and Orton have stated that they believe that government should continue to subsidize education, including loans to students and private business, along with other illegal spending.

Snow endorsed



Karl Snow

WASHINGTON — The Board of Directors of the U.S. Chamber of Commerce has endorsed Karl Snow's bid for election to the U.S. House of Representatives.

"As state senator for the past 12 years, Karl Snow has consistently worked for legislative initiatives to strengthen the economic environment for business and job creation," said Don Kroes, chamber vice president of legislative and public affairs. "He is committed to stimulating economic growth in both Utah and the nation."

Snow received the Chamber's endorsement for supporting the belief that the key to a strong economy is to create an environment that is favorable to business.

"I firmly support the Chamber's efforts to promote economic prosperity," said Snow. "A healthy system of free enterprise will result in economic growth and more jobs. Those jobs, in turn, create higher standard of living for families living in the 3rd District. Attracting new industry to Utah is one of my chief concerns; certainly it is critical to the people of this state."

As our subscription base increases, Utah County Journal will be able to add more features. We would appreciate your response as to what you would like added to the paper. Please number

- ☐ Television listings
- ☐ Indepth coverage of education and schools
- ☐ Expanding news centering on each of our communities
- ☐ More local sports coverage, including high schools
- ☐ Additional nation
- ☐ Increased nation
- ☐ Child rearing and
- ☐ Other_____

Thank you for your response. Please clip and mail the survey portion to the Utah County J the type of newspaper you and your neighbors want.

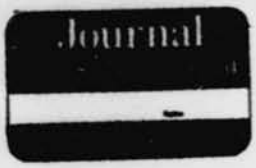
UTAH COUNTY
Journal
500 West 1200 South • Orem, Utah 849

Clip and Subscribe Today

Our requested subscription rate is $3 a month (compare that cost to other newspapers in the area). As you subscribe on a monthly basis, a postage-paid envelope will be sent to you for your convenience in making future payment.

Bonus for Annual Subscriptions

If you become a Charter Subscriber with a year's subscription, you will receive the Journal's Gold Subscriber Card that will entitle you to discounts and premiums at many local businesses for a full year. The Gold Card will bring you savings that will far surpass the $36.00 of the annual subscription.



☐ I want a "really gre
I support the Journal w
Amount enclosed $—
(Mail delivery for areas not c

☐ Enclosed is my an herewith. I want to ceive the Gold Subsc miums at many local

Name_____

Address_____

City & Zip_____

Mail to: Utah County Journal
500 West 1200 South
Orem, Utah 84058 Phone 226-1983

9704383078

N000161

9704383076 9

N000162

Inside Today:

A committee's review of BYU's standards is garnering attention
Page B1

World
Gorbachev plan wins approval
Page A3

Lifestyle
Fat people work to end prejudice
Page B6

Sports
Orem captures region 4 crown
Page C1

The Daily Herald

Friday, October 19, 1990 — Central Utah's Newspaper for 116 Years — Issue No. 80, Provo, Utah — 50 Cents

Conferees begin work on budget compromise

WASHINGTON (AP) — Senior House Democrats today indicated a willingness to negotiate a deficit-reduction plan that includes some increase in the gasoline tax, but insisted President Bush must accept a higher burden on the rich.

"Obviously, compromises are required," House Speaker Thomas S. Foley told reporters after a party caucus. "The insistence of the president in having no income tax changes (affecting the rich) seems to be inexplicable and inflexible."

Democrats, he said, will insist House and Senate negotiators moderate a Senate proposal to increase the gasolince tax by 9½ cents and raise Medicare premiums.

The conferees began working on a compromise measure after the Senate passed its deficit plan on a 54-46 vote this morning.

"One more big hurdle and then we'll have the job done," said Majority Leader George J. Mitchell, D-Maine.

The House measure, vastly different from the Senate bill, would take three-fifths of its revenue from higher income taxpayers. The Senate wants to raise money by increasing the tax on gasoline, alcohol, cigarettes and luxury items.

Congressional leaders had hoped to work out differences in time to get an agreement to Bush before midnight Friday, when the temporary funding measure expires. However, they indicated today that a final bill is unlikely before next week.

Bush has indicated he'll sign stopgap legislation extending authority through Wednesday to avoid another partial shutdown of the government.

The stopgap bill has passed the House and is awaiting a Senate vote. It would give Congress time to complete work on some of the 13 annual spending bills before adjourning for the year.

At the White House today, Bush said the Senate bill "offers some real hope for getting the budget deficit matter under control," but would not discuss what he thinks the final version should contain.

"I, for the first time, feel optimistic that we can get this job done for the American people," Bush said.

Rep. Vic Fazio, D-Calif., said another "area that's likely to be negotiated" is a House provision forgoing next year's inflation adjustment in parts of the tax system, something Bush has criticized.

That provision, vigorously opposed by the Senate, would raise taxes on all lower- and middle-income taxpayers.

As the Senate completed work on the bill, many Republicans still weren't forgiving Bush for aban-

(See BUDGET, Page A2)

Iraq orders rationing of gasoline

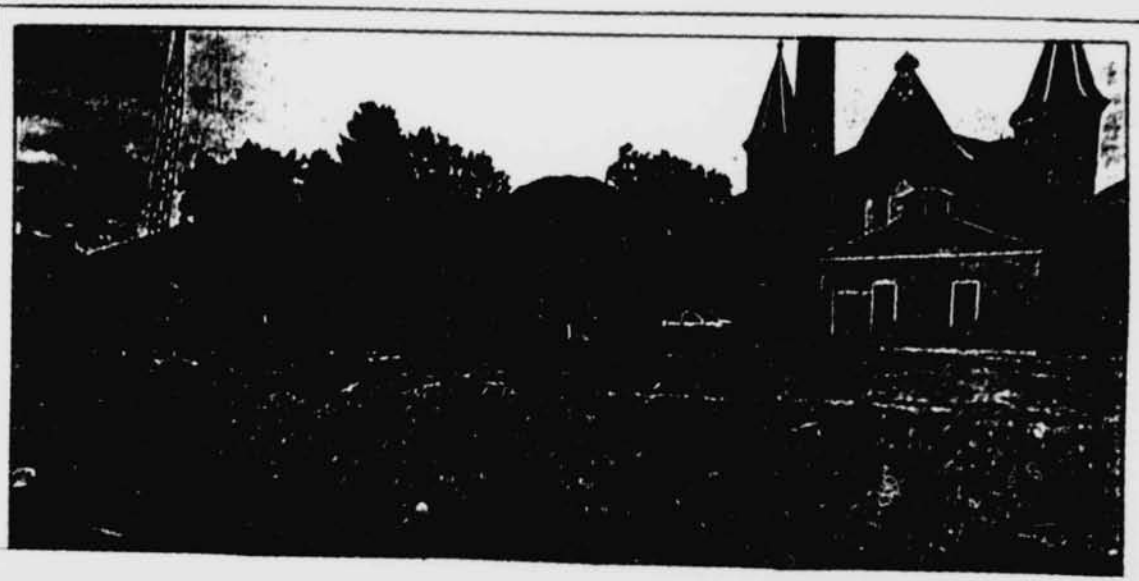
By The Associated Press

Iraq said today it will ration gasoline beginning next week, and it ordered all foreigners in occupied Kuwait to report to authorities or face punishment.

The rationing appeared to be another sign that the U.N. trade embargo was hurting the government of Iraqi President Saddam Hussein. Iraq is already rationing food staples such as meat, milk and bread.

Related story, A4

Also, because of the trade sanc-



Await facts on merger, Provo, Orem leaders told

By CHRISTI C. EVANS
Herald Staff Writer

Provo and Orem citizens must put aside emotion and analyze the facts when considering whether these two cities should be consolidated into one, said a local businessman.

Steve Shallenberger, president of Eagle Marketing, discussed the pros and cons of merging Provo and Orem at the Provo-Orem Chamber of Commerce Community Leadership Conference Thursday.

A committee of local business people, including Shallenberger, is

9704383 07 / C

N000163

People

Sills condemns raunchy lyrics

NEW YORK (AP) — Opera star Beverly Sills, at a Catholic fund-raiser, denounced violence and explicit sex in the arts. But she added that "you can't criminalize imagination."

"We have laws today that tell us we can't smoke on airplanes, but you can freely sing — if you'll pardon the expression — about the joys of violating a woman's body in monstrous detail on commercial recordings because it's a constitutional right," Sills said.

She addressed about 1,000 politicians and pundits Thursday night at the 45th annual Alfred E. Smith Memorial Dinner. The $500-a-plate affair dinner, run by the Roman Catholic Archdiocese of New York, benefits health care causes.

"We do not need self-appointed vigilantes to insist upon legislating artistic work, because you can't legislate taste," Sills said. "You can't criminalize imagination. You shouldn't throw artists in jail."

Instead, she said, higher moral standards are needed.

"Now I'm all for artistic freedom — I used to be a performing artist myself — but we as a society are growing dangerously out of touch with our conscience," she said.

"We don't need more laws to be enacted; we need to be outraged and worried about our kids. We will not accept the lowest common form of human behavior as the price for free expression."

Kinison's bodyguard testifies

LOS ANGELES (AP) — A man hired to protect comedian Sam Kinison testified he had sex with the comic's girlfriend as Kinison slept, but said it wasn't rape.

Unway Carter, 22, took the witness stand Thursday at his rape trial. He said Kinison's girlfriend consented to have sexual intercourse with him.

The 6-foot-4, 300-pound Carter testified that Kinison's 22-year-old girlfriend told him afterward: "We can't let Sam know anything happened."

The woman testified Tuesday that Carter burst into her bedroom and raped her repeatedly.

The incident occurred June 21 after Carter, who said he had been paid $100 to act as Kinison's bodyguard, helped the comic into bed. Carter said Kinison was intoxicated.

He said he heard the woman yelling at Kinison soon afterward about alcohol and infidelity. Carter said he and the woman had sex when he went to comfort her after the alleged fight.

Cosby makes good on pledge

NEW YORK (AP) — Bill Cosby would rather switch than fight.

The star of NBC's "The Cosby Show" made good on a promise Thursday as the program dumped a disputed opening credit sequence and replaced it with the title scene from last year's show.

The rejected sequence featured Cosby's television family dancing in front of a colorful mural. Last year's showed them dancing in front of the Apollo Theater marquee.

The dropped sequence drew complaints from a Harlem art teacher who said students at the Creative Arts Workshop for Homeless Children got no credit for inspiring the mural.

Cosby had accused workshop director Brookie Maxwell of "trying to hold us up," and said his order to drop the sequence was a matter of principle.

Maxwell had said the children deserved credit and should be paid if the idea was marketed. Workshop lawyer Vivian Pollack said no specific financial demands were ever made.

The original mural, "Street of Dreams," was painted by workshop students on a Harlem building and shows children playing and laughing.

Provo, Orem get $1 million for business loans

By CHRISTI C. EVANS
Herald Staff Writer

More than $1 million in state and federal money has been obtained to form a revolving loan fund for small, technology-based businesses in Provo and Orem, officials announced today.

The state of Utah has been awarded a Fiscal Year 1990 Special Projects Grant from the U.S. Department of Housing and Urban Development amounting to approximately $1 million. This money will be confined to Provo and Orem to support small companies with high growth potential.

Named the Utah Revolving Loan Fund, the fund is the first phase of a multi-phase project anticipated to eventually extend loans to technology-based firms throughout the state.

The grant will be administered through the Utah Technology Finance Corporation, a non-profit state entity formed by the state Legislature in 1983.

UTFC currently maintains a revolving loan fund using state money to encourage small business growth.

Karl Snow, president of UTFC, said the $1 million grant will be matched by $200,000 from UTFC and $100,000 from both Provo and Orem cities. This will provide approximately $1.4 million as an initial base for the revolving loan fund.

Public hearings on state participation in the grant will be held Monday at 5:30 p.m. and Tuesday at 7 p.m. Both meetings will be in the Provo Municipal Council Chambers, 351 W. Center.

Provo and Orem were selected for the pilot program because of their great potential for the emergence of high-tech companies and their successful past involvement with UTFC, Snow said.

"Most of the loans we (UTFC) have been giving have been in Provo and Orem ... The cities themselves have been anxious to work with us," Snow said. "Some of our most successful programs have been here."

While the main goal of the project is to create jobs, other objectives include developing private-public relationships for the financing of technology-based enterprises.

Although some companies with big ideas may not have enough assets to obtain a major loan, UTFC can loan money jointly with banks to companies the banks feel have potential, Snow said. The money is paid back first to the bank, then to UTFC.

The $1.4 million will be loaned in a similar way, he said. Involving private financial institutions will increase the loan base to an even greater amount.

Provo city will contribute its $100,000 through Community Development Block Grant funds previously approved for a revolving loan fund, said Ron Madsen, redevelopment director.

"We've had a hard time getting the funds that we've wanted into a revolving loan fund," Madsen said. DeLance Squire, executive director of the Commission for Economic Development in Orem, said Orem's $100,000 will also come through CDBG funds as well as interest obtained through the city's own revolving loan fund.

Orem currently has about $2.2 million in its city revolving loan program. "It will add substantially to the amount of money we have available for businesses here," Squire said.

To be eligible for the Utah Revolving Loan Fund, applicants must be small businesses located in Provo or Orem. Preference will be given to technology-based businesses which manufacture a product, Snow said.

Mayor Joseph A. Jenkins of Provo said today his city is happy to receive the funds. "The cities of Provo and Orem do not come about this by default. We've been working for many years to start revolving loan funds."

Some 85 to 90 percent of the jobs created in Utah valley are due to the growth of businessess within the valley, Jenkins said. The major portion of job growth has resulted from small businesses that are growing, he added.

Orem's mayor, Blaine Willes said, "The name of the game is jobs. People talk a lot about quality of life, but there isn't a lot of quality of life when people don't have jobs."

GULF:

(Continued from Page A1)

tary Richard Cheney praised Soviet cooperation in bringing diplomatic and economic pressure to bear on Iraq and said "we have not given up on that policy."

"I have also made it clear ... that we have not ruled out other options," said Cheney. He declined to speculate on possible U.S. military steps.

In other developments:

• A new poll indicated solid European backing of the Western stand against Iraq. Seventy percent of the respondents in Britain, Germany, France, Italy and Spain support the use of military force to end the 12-week-old occupation.

• Japan has withdrawn an invitation to Iraq to send a delegate to Emperor Akihito's enthronement, which will include dignitaries from more than 150 countries, the Japanese Foreign Ministry said today.

Iraq's Oil Ministry today ordered car owners to go to one of a number of special centers set up by the ministry to obtain fuel rationing coupons.

The order said the rationing stations in Baghdad.

The rationing covers fuel and lubricants for cars, buses and trucks, but not kerosene and liquified gas, which is widely used for cooking and other domestic purposes.

Iraq's Oil Minister, Issam Abdul-Rahim Al-Chalabi, said later the rationing was only to cut waste and said the rationing was "just a precaution."

Saddam seized his southern neighbor Aug. 2 in a dispute over oil, land and money. With Kuwaiti oilfields, his share of world reserves increased to 20 percent.

Another report published in Iraqi newspapers today said all foreigners in Kuwait must register with local authorities before Nov. 5.

Those who fail to do so "will be responsible before the law, and their residency cards will be canceled," the report said.

Under Iraqi law, foreigners found without residency cards are punished with fines and imprisonment. The exceptions are citizens from Arab Cooperation Council nations — Egypt, Jordan and Yemen.

The Iraqi military has seized Western men and scattered them throughout Iraq at strategic mili-



AP Laserphoto

Capitol leak

Rep. Roy Dyson, D.-Md., and a U.S. Capitol policeman look up to see where the water is coming from in the dome after a heavy rain storm hit Washington Thursday. Plastic sheets cover furniture as puddles form.

FOREST:

(Continued from Page A1)

(review the proposal) with the forest plan. It would not be timely to do it right now," Clark said.

The alliance proposal allows all current legal uses of the lands to continue, such as hiking, biking, quality (issue)," Borcherds said.

Seven Peaks plans to release the latest in a series of studies on the ski resort's air quality impacts within the next few days, he said. The study shows favorable data toward the resort, he added.

Clark said the Rock Canyon proposal will not have any immediate

BUDGET:

airplane tickets and expensive cars, boats, furs and jewels. Medi-

9704383071

91000N

The Daily Herald

Tuesday
Oct. 23, 1990

Also in this section:
☐ Obituaries B2
☐ Opinions B4
☐ Sports B6-B8

Local

Neighbors: Hugh Johnson

'Grampa's' therapy is being the candy man

By PATRICK CHRISTIAN
Herald Staff Writer

They call him "Grampa Johnson."

Or sometimes they call him the candy man.

One of the best therapies for 81-year-old Hugh Johnson's arthritis is getting out in his southwest Provo neighborhood and walking.

His daily walks started in 1982 down Provo's 50 North.

A short time after he started, he began taking candy with him passing it out to neighborhood children.

"At first he started with one bag of the three kinds of candy he passes out each week," said his daughter-in-law Carolyn Johnson.

But as his reputation as the neighborhood's sweet old gentleman grew, so did his inventory of sweets — now up to about three bags each each week.

"The kids love it, but there may be a few mom's who don't care for the dental bills it may create," said the candy man's son, Larry Johnson.

"They give me a lot of joy," said Hugh Johnson.

"They come up to me and say — 'How are you grampa, and they hold out their hands."

He gives them Tootsie Rolls, jelly beans or licorice.

Asked the age range of his young followers, the candy man said, "from kids in three-corner diapers to about 11."

Sometimes in the summer the candy man sits in front of his son's home (he lives with them) listening to the radio, and receives a lot of visits from children.

Now that school has started again, he doesn't encounter as many children, he said.

As a young boy growing up in Delta and later Richfield and Moroni, the candy man also used to enjoy sweets.

His passion was for watermelons.

He and a friend used to frequently take a watermelon to school with them for lunch.

In the tool pockets of their bib overalls they carried a spoon to eat melons with.

"One neighbor had five acres of melons and we would walk home, thump melons until we found a ripe one and use our spoons to eat it," he said.

Of the hundreds of neighborhood children he has passed out candy to, he's never really seen them.

Legally blind, he only has about 10 percent of his vision — allowing him to see light and faint shapes.

He said he avoids the children's toys and skateboards left on the sidewalks by using his cane to guide his steps.

When one talks to him, they must speak loudly, because his hearing isn't what it used to be either.

When he's not passing out candy, he spends a lot of time listening to Max Brand and Louis L'amour novels, and listening through audio tapes of Readers Digest, U.S. World & News Report and other audio magazines supplied by the Federation for the Blind.



Herald photo/Pat Christian

Hugh Johnson, Provo, takes walks and passes out candy to children as his arthritis therapy.

"Neighbors" is a feature appearing on the local pages of The Daily Herald every other Tuesday. It highlights local individuals who are interesting people but not necessarily newsmakers. If you know of someone with interesting hobbies, talents or a unique story to tell, male or female, young or old, contact Daily Herald reporter Patrick G. Christian at 373-5050.

Grant funds will net business education center for Y and U

By CHRISTI C. EVANS
Herald Staff Writer

Brigham Young University students will become stronger competitors in international business through a new educational center being organized jointly with the University of Utah.

A proposal submitted by officials from both universities resulted in more than $1 million in grant funds from the U.S. Department of Education which will be used to establish a Center for International Business Education.

Fifteen similar centers are being funded throughout the nation to help make the United States a stronger competitor in global business.

The grant, which will be extended over the next three years, provided $270,000 for the center's first year.

Lee Radebaugh, associate dean of BYU's Marriott School of Management, will serve as co-director of the center along with Jim Gardner, professor of management at the U of U.

Rather than being located in one particular place, the center will organize cooperative programs and activities between the two schools. "It's more a center of programs than it is a physical location," Radebaugh said.

An executive committee will be appointed at each school to oversee development of center programs. The committees will meet quarterly to organize center goals and activities.

The center will help develop international business academic programs for business and language students, organize research programs and offer workshops and seminars to local companies to raise their competitive abilities abroad.

Radebaugh said funding for the centers was made available because of a feeling that the United States is losing its competitiveness in the international marketplace. "We import a lot more than we export," he said.

According to the joint proposal submitted by BYU and U of U officials for federal funding, the nation needs more managers who can compete effectively in the global environment.

"These managers should speak and read foreign languages, understand foreign societies and global trends, and have special skills pertaining to international trade," the proposal states.

"There's a feeling that a lot of people that graduate from universities don't have an understanding of what's happening in the international world," Radebaugh said. The new center will help fuse more international ideas into the [illegible] curriculum, he said.

Organizing the center with the U of U will allow BYU to bridge some of those competitive areas and get into something more cooperative, Radebaugh said.

Receiving funding for the center will also give the two universities national recognition, he said. Other universities funded for international business centers include Columbia University, Michigan State University and the University of Washington.

The center will be organized with support from BYU's Marriott School of Management and the David M. Kennedy Center for International Studies.

The U of U will provide its Graduate School of Business and College of Business along with the school's Intermountain Program in Pacific Rim Relations.

Approximately 30 centers, institutes, programs and laboratories on the two campuses are involved in international pursuits.

Fourth bank [illegible]

gunmen, wearing Halloween masks entered the building at about 11:40 a.m. and shouted, "This is a hold up."

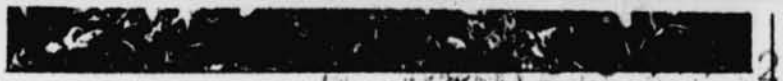
A command to stay calm was given and two of the three suspects moved behind the cashiers' desk. The two men took cash from the tellers' drawers.

"There were three men wearing masks so it's going to be hard to identify them," said Provo Lt. Keith Teuscher.

There were no reports of threats made to any employees or customers, according the department spokesman.

After taking cash, the three men, described as being 18 to 24 years old, exited to the west and fled into the Riviera Apartment complex.

According to Teuscher, Provo police officers were on the scene within minutes of the alarm. A search was hampered because of a large number of students in the area.



Herald Photo/David Dahl

Provo police officers Motsinger (left to right), Harper and Troxel recover a jacket just north of UVCC's Provo campus that they believe was dumped by someone involved in the Monday robbery of a Provo bank.

Groups want to provide info on Snow

By ROBB HICKEN
Herald Staff Writer

Two politically active groups have emerged from the political aftermath of 3rd Congressional District primary elections.

Both groups are bent on getting the public as much information as possible on Republican candidate Karl Snow.

A citizens' group called Utahns for Ethical Government has already taken a stand to bring to light new evidence which is slated to bring "forward damning new evidence of (candidate Karl Snow's) complicity with Mike Strand."

A second group titled "Republicans for Orton" has arose with a stance that there are Republicans who don't want to vote for Snow.

Scott Norton, a UEG spokesman, said questions brought out in the primary election remain unanswered despite an accountant's report on Snow's financial dealings.

The report cleared Snow of any financial improprieties, tax obligations or insider trading but left open concerns about his business sense.

Norton said there also exists questions about his position on the Utah Techonology Finances Corporation, a quasi-state agency that provides financial opportunities for promising innovative technology-oriented businesses.

A second area of concern is that of Snow's apparent ongoing business dealings with Strand in the merger of Unique Battery System Incorporated and Global Oil.

"Either he had shares in Unique Battery, or he didn't," Norton said. "If he did then he stood to make $500,000 when the two companies merged."

Kerry Smith, a spokesman for the Republicans for Orton, said he doesn't believe he and many other Republicans can support Snow.

Based in Roosevelt, the group is in full support of Democratic candidate Bill Orton.

"We're actively pro-Orton," said Smith. "Bill spent time out here — he took the time to research and study the issues — such as the Indian Affairs and oil policies."

Smith said those are key issues and are the base needs of the people in the Uinta Basin.

He said the main body of the Republicans for Orton are those that are frustrated with Snow.

Watson won't be driving for one year

Wayne Watson, former Utah County Republican chairman, has lost his driving privilege for one year.

Bart Blackstock of the Utah Driver's License Division said Watson's hearing officer recommended revocation of the license for one year, effective Oct. 15.



Wayne Watson

Watson was arrested in American Fork Canyon in August by Utah County deputy sheriffs who reported Watson was driving down the canyon when he encountered a roadblock set up by officers.

According to the police report, he turned his vehicle and fled back up the canyon, knocking over a "prepare to stop" sign in the process. They pursued him, then arrested him. He refused to take a breathalyzer test and was transported to the Utah County Jail, then released.

Some controversy arose over the type of charges to be filed against him, but his attorney eventually entered a "no contest" plea for him to a charge of driving while drinking an alcoholic beverage, a lesser charge than DUI. He was fined $100.

A hearing was held Oct. 15 before the Driver's License Division on whether his license should be revoked.

Watson resigned as county Republican chairman shortly after his arrest.

will have to answer before being impaneled for the resentencing. A date has yet to be reset for that resentencing.

Defense attorney Craig Snyder said he wanted to include questions on blood atonement and the mark of Cain because they may aid in determining which jurors have religious beliefs that stand in the way of making a fair decision.

According to "Mormon Doctrine" a book written by the late Bruce R. McConkie, "there are some serious sins for which the cleansing of Christ does not operate and the law of God is that men must then have their own blood shed to atone for their sins. Murder, for instance is one of these sins." McConkie also said Cain was cursed with a black skin for committing the first [illegible] penalty and avoid the term "blood atonement."

Snyder said if prospective jurors believe people with black skin are descendants of Cain, they may have the idea blacks have black skin because of something that happened before their birth. Carter is black.

Taylor argued that questions about prejudice were handled well in other questions and questions about Cain were not necessary.

Christensen said it is necessary to understand if the prospective jury has preconceived ideas that will impair a fair judgement and opted to keep the questions on the list.

Attorneys hammered out other questions such as what type size should be used in the final list of

Jury to decide county

By KAYLENE NELSEN
Herald Senior Reporter

A jury will decide this week if Utah County must pay Shoreline Development $250,000 for work that company did on a lake dredging project that never materialized.

Shoreline is suing the county, claiming principals Milton Hanks and Milt Jones are owed the money for work they did in the fall of 1985 through June 1986 trying to obtain a surplus dredge to use on Utah Lake. Fourth District Judge George E. Ballif is presiding over the case which will be decided later this week by an eight-member jury.

Deputy County Attorney Jeril Wilson said the county never had a written agreement with Shoreline and doesn't owe the men the money. The men originally contracted with American Fork city to bring a surplus federal dredge to the lake. The men planned to set up the dredge and operate it for a fee while running American Fork Harbor and fixing it up.

Pumps for the dredge were brought to Utah County, according to County Engineer Clyde Naylor, but the dredge was never used because parts needed to make it operational could not be located. The federal government then took back possession of the pumps and sold them, he said, so the county never realized anything.

During the opening day of the trial Monday, Hanks took the stand and told about meeting with county commissioners in March 1986 about bringing a dredge to the county since he was already trying to get one for American Fork.

He said the commissioners approved of him and Jones traveling to New Orleans and San Francisco to look at dredging parts and then to Portland, Ore., to look at the dredge ship Harding which he recommended the county obtain. He said the county gave him $2,000 toward this project with the idea that the county would take the entire ship and while only using the dredge engines, dredge pumps and some discharge equipment, sell off other salvagable parts of the ship to

N000165

9 7 0 4 3 8 3 0 7 / 3

991000N

The Daily Herald

Also in this section:
- Obituaries B2
- Opinions B4
- Sewing & Crafts B6-B10

Local

Wednesday
Oct. 24, 1990
B1

Lott: Provo schools will have to make tough busing decisions

By KAYLENE NELSEN
Herald Senior Reporter

State busing regulations plus rising fuel costs will force Provo School District to make tough decisions on busing.

That's the prediction from Dr. Phil Lott, director of transportation for the district. He was speaking to members of the Provo School Board Tuesday night during a work meeting of that group.

He explained busing rules which include that elementary students must live more than one and a half miles from school and secondary students two miles from school in order to qualify for busing which the state will reimburse.

If the district determines there is a hazardous situation and buses children closer than those required distances, the district picks up the tab through the transportation levy.

He said to qualify for reimbursement from the state a bus route must have at least five handicapped students who receive service right to their door, or at least 40 regular students who live the required distance from the school. When picking up students who qualify for the bus, other students who do not qualify for service are also picked up at bus stops along the route.

That's where one of the problem's lies, Lott told board members. State requirements are that no more than 20 percent of the children on any of the 105 bus routes can be unauthorized (live under the required distance).

He said Grandview Hill is a classic example of the problem. Most of the students there should walk to Dixon Middle School but are given bus service. Originally, it was determined to be a hazardous route but with adequate sidewalks, the hazards no longer exist, Lott said. If forced to take unauthorized riders off the route, many middle school children will be walking to school.

The same situation exists at Canyon Cove, an area east of University Avenue near Wil's Pitstop. Those students have been bused to Canyon Crest Elementary, less than the required mile and a half, because there were no safe sidewalks. Since a new road has been opened up to Edgemont, complete with good sidewalks, the hazard no longer exists.

The only way the district can continue to transport unauthorized students is to raise the mill levy, he said.

Lott also discussed a problem in the Harbor Park area where parents had signed a petition about a change in the bus route. Lott said the bus has to take a medically fragile Carterville child home first because of severe lung problems the boy suffers and that put Harbor Park children 25 minutes later getting home.

He said he told parents there are two other buses the children can ride if they must get home earlier for music lessons, etc., and explained the situation with the ill child.

Transportation people are also looking closely at zone busing as the price of gas skyrockets. Lott said he is paying double the gas price of last spring.

To conserve, the district could make only one stop in a neighborhood and could require elementary children to walk one and a half miles and secondary students two miles to catch their buses.

Lott said he has been approached by the Thomas Bus representatives to participate in a study of converting the buses to natural gas. He said the Thomas buses are constructed with the frame extending below the floor and could accomodate the tank necessary for natural gas. The bus could use the same engine with some modifications and would cost less to run on natural gas.

Snow addresses Kiwanis Club

By PATRICK CHRISTIAN
Herald Staff Writer

Republican 3rd Congressional District candidate Karl Snow told members of the Provo Kiwanis Club Tuesday that waste, fraud and abuse in government programs amount to a sum nearly equal to one-third the amount that will be collected in 1991 income taxes.

He said reducing and eliminating three unnecessary drains on the federal budget would be steps he would use for reducing the federal deficit.

Snow spoke to over 50 Kiwanis Club members at the Excelsior Hotel.

His Democratic opponent Bill Orton spoke to club members last week, and spoke much about the federal budget and deficit.

Snow said he supported the Congressional Budget Office's propoal to increase the federal budget 4 percent over the 1990 budget, but he said congress seems to want to allow the usual 10 percent increase.

Snow also said that much could be trimmed from the federal budget by simply collecting money owed to the government from student loans, farmers and veterans.

As much as $325 billion could be saved through oversight and programs that could eliminate waste, fraud and abuse, Snow said.

The Republican said he supports many of the numerous budget proposals developed by the Grace Commission.

Snow said the best fiscal minds in the nation were commissioned to examine federal financing and come up with proposals.

He said among the Grace Commission suggestions is a proposal to go to a two-year budget cycle and employ reductions in agricultural subsidies.

He said the commission also determined that of the 3,000 military installations in the United States, 2,000 could be closed.

Asked about President George Bush vetoing the Civil Rights Bill, Snow said the bill threatened businesses and could have pushed American businesses into a hiring quota system.

Snow said it would have also overturned seven separate U.S. Supreme Court Decisions.

Asked about a ground swell of opinon of establishing tariff barriers, Snow said if there is a ground swell, it hasn't been reflected in Congress.

He said he supports open and free trade.

Asked if he supported limiting congressional terms of office, he said he did. Snow said 12 years seemed like a good term limit.

He urged everyone to get out and vote in two weeks.

Asked about a value added tax on financial transactions, Snow said there has been resistance to the proposal because if is thought to be inflationary and the cost of managing such a system would add to the cost of government.

Snow was introduced by Provo Mayor Joe Jenkins who said he had worked with Snow in the Utah legislature.

"Snow has tremendous experience and we need someone with experience," said Jenkins.

Jenkins said a candidate's private life should be examined, but he said it should not be open to private abuse by people with hidden agendas.

He said if candidates' private lives are abused, "pretty soon good men will not run."

Jenkins said Snow is a good man.

Cook pushes food tax removal

By JOSEPHINE ZIMMERMAN
Herald Staff Writer

Merrill Cook, chairman of the Utah Independent Party told a small group of citizens Tuesday night that removing the sales tax on food will simply lead to better governmental management, less duplication of services, less stultified bureaucracy, and better teaching loads in higher education.

Speaking at a "meet the candidate" night at the Utah County Administration Building, Cook debated the food tax issue with Paul Rogers, former state senator.

Cook zeroed in on higher education, saying that Utah subsidizes

"That research has brought $200 million income to the state in research grants and awards," he said.

In response to questions, Cook said he would like to see all taxes lowered, not just the tax on food.

"We went after the most regressive tax first," he said, although he conceded that his group had failed in attempts to get property and income taxes lowered.

"I'd like to see the gas tax lowered, too," he said. "We could also close the loopholes in the sales tax system which single out some businesses and exempt others."

He said lowering the taxes could

just 30 percent of the tax.

"Heaven help us if we have to begin denying students access to Utah Valley Community College. The average student age there is 24 because it involves not just young students, but people who have to return to the work force in a different way."

"What about the poor who are served by the social service program? What happens to them? What about the impact on transportation, and the infrastructure we are supposed to drive on? What about the other 70 percent?" Rogers asked.

He urged voters to look at the whole picture.

Some Republicans back Orton

Organization has some 50 members

By PATRICK CHRISTIAN
Herald Staff Writer

A crack in the Grand Old Party has opened up in Utah in the 3rd Congressional District with the formation of Republicans for Democrat Bill Orton.

"We feel that Karl Snow does not represent the principles of the Republican Party," said Mike Schnable, president of the organization.

The Salt Lake County businessman said his organization has nearly 50 members so far and is seeking more to support Orton.

The organization's logo shows a surprised Democrat donkey arm-in-arm with the Republican Elephant. It was commissioned by the revolu-



9 7 0 4 3 8 3 0 7 / 4

L91000N

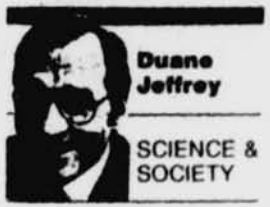
The Daily Herald

Also in this section:
- ☐ Obituaries C2
- ☐ Opinions C4
- ☐ Comics C5

Local

Monday
Oct. 22, 1990
C1

Analysis of genetic repair is under way



Duane Jeffrey

SCIENCE & SOCIETY

It is commonplace these days to witness things done "for the first time in human history." Many are insignificant or even trivial. Others signal major advances in the relentless human conquest of ourselves and our universe.

One likely to go down in the history books occurred just a month ago with rather little fanfare. It relates to our continuing ability to control or cure disease and suffering.

Throughout history, humans have developed thousands of treatments for suffering. Broken limbs, ingestion of toxic substances, bites by poisonous animals, infectious diseases — all have been part of the human experience for thousands of years, and have generated an incredible array of cures — or at least treatments.

Whether by manipulation of natural laws, or invocation of supernatural powers, humans have shown incredible creativity in facing whatever has detracted from human health. In many religions and philosophies, dramatic cures have been used as evidence of the power of the healer or the power of the group. In all countries and peoples, such miraculous cures are recognized and marvelled at.

But the cures worked for only certain types of problems, and then only sometimes, and usually only a minority of cases. Modern medical science came into that void with additional techniques and methodology, and the human survival rate rose dramatically. Better surgery, control of infections, anesthesia, modern medicines to combat the pathogenic agents identified under the germ theory of disease — all combined to lengthen human life expectancy and reduce suffering.

But one huge category of disease remained steadfastly impregnable. Any major defect caused by genes was virtually untreatable.

We did develop eyeglasses to ... netic therapy" are so new, the implications so profound, that no one wants to make a false step.

Each step in the proposed treatments is worked out meticulously in animals before applying them to humans. Government health officials, lawyers, scientific analysts, and heaven knows who all gets into the act, pouring over the reams of experimental data to evaluate safety and feasibility.

Nearly four years ago, workers at the National Institute of Health applied for permission to conduct the world's first real attempt at gene therapy — to supply cells with an engineered genetic system to patients lacking certain biochemical functions.

The specific disease is called adenosine deaminase deficiency, or ADA for short. Ordinarily, the body manufactures some cells called T-cells and B-cells which are critical to our immune systems. But their production and health are totally dependent on the product of the NORMAL ADA gene. When the gene is defective, the immune system cannot function, and the child dies. There are several forms of the disease; they are all rare.

Just minutes before 9 a.m. on Sept. 14 the U.S. Food and Drug Administration gave final permission to begin formal genetic therapy on 10 ADA patients. And that same day, the tests actually began.

Blood had been drawn a week earlier from a four-year-old child with the disease. Certain

New evidence links Snow to Strand

Citizens' group produces letter that disputes candidate's claim

By ROBB HICKEN
Herald Staff Writer

A citizens' group has stepped forward with what it claims is new evidence that links 3rd Congressional District candidate Karl Snow closer to convicted stock promoter Michael Strand.

Scott Norton, a spokesman for Utahns for Ethical Government, put out new questions in regards to Snow's apparent ongoing relationship with Strand during the 1984 gubernatorial race.

The charges come just one week after a report by an independent accounting firm cleared Snow of wrongdoing in connection with the Global Oil/Unique Battery merger, and Snow's dealings with twice-convicted stock promoter Strand.

This was the second report issued on Snow's dealings with Strand. The first was issued by four attorneys. It too cleared Snow of wrongdoing.

Snow has said on numerous occasions that his dealings with Strand were minimal, and all legal.

Norton produced a certified letter, dated June 5, 1985, to The Daily Herald which further links Snow to convicted stock promoter Michael Strand.

"This letter is significant because it was written a month after the check Percy Kalt had written for the stock, he said, was promoted by Karl Snow, was cashed by Mike Strand and Lyman Smart," Norton said. This seemingly puts Snow's name in regards to Strand a little bit longer than was originally believed, he added.

The letter addresses a campaign debt incurred during 1984 with Peggy Fugal Advertising. Snow directed Fugal to contact Strand "in Salt Lake City who had agreed to evaluate the matter in terms of any moral commitment that the Snow for Governor Committee might have in the contested billing."

Snow then proceeded in the letter to describe the circumstances of the bill and his reasons for non-payment.

In the second page, Snow indicates that Fugal "touch base with Mike Strand who had indicated to me, that while he agreed with my position, we may wish to see what could be worked out to avoid hard feelings. I sensed that he might be prepared personally to make a contribution to this end."

And again on the final page in the closing paragraph, Snow asks that Fugal contact Michael Strand in Salt Lake City "who will be pleased to discuss this matter with you for and in behalf of the Snow for Governor Committee."

In a comment Friday evening, Snow recalled Strand had offered to cover the debt owed to Fugal. He was unsure whether Fugal had ever contacted Strand.

Strand, in a phone conversation this morning, said he remembered discussing the advertising debt fol-

(See SNOW, Page C2)



Rexburg of an apparent heart attack.



He was born Nov. 7, 1913 in Teton, Idaho, to David Rawlin Wilding and Vena Leavitt Wilding. He married Elsie Anna Koehler, Nov. 8, 1943, in New York, N.Y. Their marriage was solemnized in the Manti LDS Temple. She died in 1987. He married Phyllis H. Clements, Sept. 10, 1988, in Rexburg, Idaho.

He received his education at Sugar City High School, Ricks College, University of Idaho, Utah State University where he earned a bachelor's degree, and Georgia Tech.

He served in the U.S. Navy. He was a commissioned officer and was honorably discharged as a Lt. Commander. He was a veteran of World War II.

He was a member of The Church of Jesus Christ of Latter-day Saints, and had served in Scouting and quorum leadership positions.

He was a civil engineer and was employeed by the Farmers Home Administration in Salt Lake City and with the U.S. Bureau of Reclamation in Provo. He retired in 1975.

He was an avid gardener. He enjoyed fishing and flying small aircraft. As a college student he played in a dance band.

He is survived by his wife, Phyllis, Rexburg; four sons, William G. Hoeft, Concord, Calif.; David M. Wilding, Centerville; Paul T. Wilding, Sandy; Philip Wilding, Nampa, Utah; two daughters, Mrs. Glen L. (Elizabeth) Robins, South Jordan; Mrs. David E. (Sharon) Downard, Spring, Texas; four stepchildren, Dell W. Clements, Michael Reid Clements, Mrs. ElRay (Vicki) Klingler, and William Jay Clements, all of Rexburg, Idaho; one sister, Mrs. Reed (Florence) Schwendiman, Bellvue, Wash; four brothers, Ray Leavitt Wilding, Orem; Lee Orin Wilding, Hyrum Barch Wilding, both of Preston, Idaho; Milton S. Wilding, Sugar City, Idaho; 23 grandchildren, one great-grandchild; 23 step grandchildren, one step great-grandchild.

Services will be Tuesday, 11 a.m., at the Rexburg 5th Ward LDS Chapel. The family will receive friends prior to the services.

The family will also receive friends in Provo, Tuesday evening from 7 to 8:30 at Berg Mortuary, 185 E. Center, Provo. A short funeral will follow at 8:30.

Graveside services will be held Wednesday, 10 a.m., at the East Lawn Memorial Hills, 4800 N. 650 E., Provo.

Rorick Harmon

PRICE — Rorick "Mike" Harmon, 82, of Oct. 19 1990 in Price

dent.



She was born March 12, 1972, in Provo, a daughter of Ralph E. and Nancy Love Johnson.

She was a 1990 graduate of Orem High School and Orem High Seminary. She was attending Dixie College. She was employed at a day care center in St. George.

She was a member of the Church of Jesus Christ of Latter-day Saints.

Survivors include her parents of Orem; five brothers and one sister, Eric A. Johnson, Douglas R.F. Johnson, Brent H. Johnson, Dustin D.F. Johnson, Katie D. Johnson, all of Orem, and Elder Ryan E. Johnson, serving an LDS Mission in Brussels, Belgium.

Funeral will be Wednesday, 11 a.m. at the Sharon 4th Ward LDS Chapel, 545 S. 800 E., Orem. Friends may call Tuesday 6-8 p.m. at the Sundberg-Olpin Mortuary, 495 S. State in Orem, and also Wednesday from 9:45 to 10:45 a.m. at the ward chapel.

Burial will be in the Orem City Cemetery.

Margo Gadd

Margo Gadd, infant daughter of Karl Joe Gadd and Beth Finch Gadd, died Oct. 19, 1990 in the Utah Valley Regional Medical Center in Provo.

She was born Oct. 16, 1990 in Provo.

Survivors include her parents of Orem, grandparents, Hal P. and Marie Gadd, Sandy; and Vernon and Kathleen Finch, Payson; three brothers, Kyle James Gadd; Kevin Jeremy Gadd; Kolby Jamison Gadd; and a twin sister, Callie Gadd.

Funeral services will be Tuesday, 11 a.m. in the Northridge 3rd Ward LDS Chapel, 1674 N. 200 W., Orem. Burial will be in the Orem City Cemetery, under the direction of the Walker Mortuary.

Charles Baker

HEBER — Charles Monroe Baker Sr., 61, died Oct. 20, 1990, at his home in Heber City.

He was born Dec. 28, 1928, in Spiro, Okla., to Bradford Monroe and Lillian Ann Holt Baker. He married Patricia Rowe. They were later divorced.

He is a retired truck driver.

He is survived by children, Mrs. Richard (Rhetta) Welch, Mrs. Mike (Peggy) Barnes, Laura McRay, Charles Baker Jr., all of Heber City; Melody Baker, Park City; 10 grandchildren; brother, Bobby Ruyle, Williamsburg, Kan.; sisters, Mrs. Dub (Wilma) Poteet, Mrs. Laura Baxter, both of Bakersfield, Calif. He was preced-

Sunday after being admitted over night at Utah Valley Regional Medical Center in Provo, a nursing superviser said.

Sheriff Than Cooper said officers are seeking a 14- to 18-year-old male or female with long blond hair. Bowman was shot from a distance of about 50 yards, but the rifle bullet passed through his thigh without hitting a bone or artery, the sheriff said.

four-wheel drive vehicle from the rugged terrain where he had been hunting to a point two miles from Antimony where he was met by the Piute County ambulance.

After being first stabilized at Sevier Valley Hospital in Richfield, he was taken on to UVRMC, authorities said.

A search of the shooting area failed to turn up the suspect, and Cooper is asking for anyone with information to contact his office.

surgery Saturday afternoon at Ashley Valley Medical Center in Vernal after she suffered a gunshot wound to her foot in a hunting-related accident.

A Cedar City man died Sunday of a heart attack suffered while hunting with his son in southern Utah Right Hand Canyon, the Utah Highway Patrol said.

A UHP dispatcher said George Goddard, estimated to be about 65, was pronounced dead at the scene.

Thieves have busy weekend locally

Jewelry valued at $3,500 was reported stolen during the weekend from an Orem residence located in the vicinity of 100 E. 200 South in Orem.

The residents told investigting Orem public safety officers that they had left on a trip Saturday and discovered a broken window and the burglary when they returned Sunday night.

BURGLARY — Provo Police are investigating a burglary that was reported Sunday at a home in the vicinity of 1800 N. and 2100 West in Provo.

Cash and valuables, estimated to be worth $800, were reported taken after burglars forced entry into the residence.

- An undisclosed amount of cash was reported taken between Saturday and Sunday from Sensuous Sandwich, 163 W. Center Street.
- Cash and valuables valued at $800 were reported stolen in a residential burglary at a home located in the vicinity of 1446 N. 1750 West in Provo. Nearly $800 was reported stolen.

AUTO BURLARY — A Salt Lake City woman, visiting overnight at an Orem residence located in the vicinity of 300 N. 1100 East, awoke Sunday evening to discover that burglars had used a rock to break into her vehicle. Her purse, she had placed under her seat, been taken.

STOLEN VEHICLE — Orem Public Safety officers, responding to a business burglary alarm Sunday morning around 3 a.m. found that the alarm that sounded in the vicinity of 1300 W. Center Street had accidently gone off.

But while officers were investigating the alarm, they conducted a routine license plate check of a vehicle in the area and discovered it had been stolen from Wisconsin.

SNOW:

(Continued from Page C1)

lowing the election.

"She was supposedly doing things for Karl that just weren't being done," said Strand.

He claimed that there were numerous discrepencies in what the owner of the advertising agency and Snow's campaign office had discussed for services and payments.

"I made some calls for Karl to try and get some things settled," Strand said.

Snow said, "The letter identified Strand as speaking for the campaign because Peggy's (Fugal) dispute was with the campaign, and she obviously needed someone from the campaign to talk to."

Norton and his group claimed that the letter "contradicts evidence that Snow and Strand separated" after he refused the stock options and a position of vice president on Global Oil's board of directors.

"Investors of Global Oil have come forward to say that Karl Snow helped convince them to buy stock," Norton said. "The check that Percy Kalt wrote for Global Oil stock was counter-signed by Mike Strand and Lyman Smart, Snow's former bishop, only one month before this letter was written."

Norton said the group's organization was founded so that politicians would know that "If you're going to run for political office — you'd better have integrity first."

City councilman charged with DUI

PAYSON — Payson City Councilman Michael Rogers was arrested Sunday, Oct. 14, 1990, on DUI charges.

The arrest was made by Mike McConnell, of the Utah County Sheriff's Department, at approximately 250 S. 600 E., Payson.

Rogers refused both the breathalizer and blood alcohol content tests, at the time of his arrest.

DUI is a Class B misdemeanor

Am. Fork band edges nemesis

The American Fork High School Marching Band captured the sweepstakes trophy from a longtime rival, Mountain Crest High School of Hyrum, Utah, at the Minidome Competition Saturday.

The American Fork band topped Mountain Crest and took the prize

Bands from all over the western region, including a band from Canada, competed in four divisions in Pocatello.

American Fork also took the best percussion and outstanding auxiliary prizes.

They compete a final time this

9704383076

691000N

The Daily Herald

"The philosophies of one age have become the absurdities of the next, and the foolishness of yesterday has become the wisdom of tomorrow."
— Sir William Osler, Canadian physician 1849-1919

Opinions

Tuesday
Oct. 23, 1990
B4

Treats or tragedy?

Herald comment

We realize Halloween is still a week away, but what better time to give some thought to preventing tragedy on that spooky night? As is so often the case, a little common sense can work wonders.

Please, parents, don't send small children out unescorted. Please be certain as costumes are planned that they aren't inherently dangerous. Make sure capes, dresses, etc; aren't so long they can cause the little creatures to trip. Make sure if masks are worn they don't obscure vision. And make sure costumes are bright and visible to motorists. A little reflective tape on witches' and vampires' black attire would be in order.

Insist that youngsters do not eat any treats until they can be checked for dangerous inclusions. Throw away any candy or food that is not wrapped by the candy company. Report any suspicious treats to the police. Insist your children trick-or-treat only in your own neighborhood, on well-lighted streets.

Okay, these are safety tips we have all heard for years, but that doesn't make them any less valid. All the candy in the world is not worth the life of one child.

May we, at the risk of being called the Grinch that stole Halloween, suggest parents consider holding neighborhood or family parties with plenty of treats and games as an alternative to trick-or-treating. Such parties would certainly be safer and may prove to be more fun.



"Some PAC is urging us not to vote any incumbents out of office... so all that money they've invested won't go to waste."

Letters

No surprise

Editor:

Is anyone really surprised that the report on Karl Snow's involvement in the Unique Battery/Global Oil stock fraud deal turned up nothing? After all, Karl Snow's own paid accountant and attorney did the investigation.

Contrast this report with the vastly different conclusions reached in the two-part analysis by the Student Review, complete with quotes from some of the participants with Karl in this stock deal. I suspect the truth probably lies somewhere between the vastly different conclusions reached by the analyses of his ethical, moral, and legal behavior in this matter.

It is not impugning anyone's integrity to note that Mr. Bramble is a staunch Republican who would be expected to give Karl Snow the full benefits of any doubts even if he were not being paid by Mr. Snow. As for the thoroughness of the investigation, there is an old saying that surely applies here: "You don't find what you are not looking for."

Cindy Edwards
American Fork

Fond memory

It sometimes seems that these problems are so great that there is no way out. But recently we saw on TV news a wealthy man who has made a deal with a group of students that if they keep a B average and do not use drugs and if there is no teenage pregnancy, he will guarantee the necessary funds for them to go to college. He is now campaigning to have this plan used all over saying it will be cheaper to educate children and young people than to keep them in prisons. Education is the wonderful answer and it's not impossible.

John Stephens
Orem

Mandela 'indecisive'

Editor:

Will Nelson Mandela please make up his mind? While he was in prison he wanted the government-imposed state of emergency to protect blacks from rival political groups to be lifted. The government obliged Mr. Mandela in June of this year, and as a result, mutilation, mayhem and "necklacing" has become the order of the day against moderate blacks who do not want a totalitarian system under the African National Congress.

This rivalry has more than a little to do with prejudice. ANC supporters tend to be from the Xhosa tribe and members of the

Washington insiders talking like outsiders



Walter Mears
ASSOCIATED PRESS COLUMNIST

WASHINGTON (AP) — Casting himself as an outsider, President Bush has taken to complaining about "inside the beltway hogwash." He's telling voters that Washington doublespeak is hiding the real issues.

It is a campaign against Democrats with the flavor of a campaign against Washington, one in which the Republican president sides with "real people" in their frustration at what's happening in government.

That is a different tack for a man whose Washington resume dates back nearly 25 years, to the first of his two House terms. Bush has worked in the federal government ever since; he was dubbed the resume candidate when he first ran for president. But this is not a promising political season for insiders with lengthy federal resumes. And the tactic has worked before. Ronald Reagan ran against the government even when he was in

finished in 1964, the year Bush first tried to crack it, but lost his bid for a Senate seat in Texas.

His retuned 1990 message carries echoes of Reagan, who said government was the problem, not the solution. Jimmy Carter, the Democrat ousted by Reagan in 1980, ran as an outsider, too.

Bush, by contrast, stressed experience and the know-how to make government

the wealthy and take the heaviest toll for deficit reduction from lower income benefits and middle class taxes.

Defining those terms also is a matter of debate.

Sen. Barbara Mikulski, D-Md., said she wanted to be sure that people like Leona Helmsley, Donald Trump and Mike Tyson pay fair shares of the burden.

Rep. Bob Michel, R-Ill., the minority leader, had said that when Democrats talked about taxing the rich they seemed to mean everybody who didn't vote for Michael Dukakis or Walter Mondale for president.

Bush told one campaign audience about an "awful, high-tech word" that figures in the deficit debate — continuing resolution. That's a measure to permit continued spending to maintain federal programs for which appropriations have not been enacted. Right now, that means all of them.



AP Laserphoto

Richardson, Army engineer at Fort Douglas, stands atop Red te Dam, which may be transferred to Salt Lake City.

rmy offers study of ed Butte Dam's safety

LT LAKE CITY (AP) — The y proposes to resolve safety stions about the Red Butte Dam t of Fort Douglas in tandem a possible deal to turn over irrigation reservoir to Salt e City.

he Army has offered as part of transfer plan to approve and d a scaled-down version of a ase II" study to determine the ear-old earthen dam's vulnera- ty to floods or earthquakes, cy Hooton Jr., city public utili- director, said Thursday.

looton said he is recommending roval of the proposal, which is ted for consideration of Mayor mer DePaulis next week. The er includes $50,000 in Army ds and assistance from the my Corps of Engineers to com-

We would have to be assured t if it's acquired by the city it uld be in top-notch shape," Hoo- said.

The Forest Service and state m Safety Office have pressured Army to follow through on a 2 Army Corps of Engineers re- t. That report cited serious ncerns and called for a compre- sive analysis of Red Butte.

"It's not a disaster up there waiting to happen, but it has the potential to be," said Richard Harris, Forest Service engineer. "We want to make sure we've taken every action possible to minimize whatever situation would occur."

The Forest Service last May directed the Army to lower the water level 35 feet below its spillway as the "only prudent action that will ensure public safety," according to a letter from Forest Supervisor Susan Giannettino to the Army.

As of Thursday, the draw down was about 15 feet below the spillway.

Lt. Col. Jerold Jensen, commanding officer of Fort Douglas, said the reservoir level is coming down through normal use, and he will keep bringing it down this winter

[illegible] as usual. He believes he is essentially in compliance with the Forest Service directive.

Army commitments to follow up on the Phase II study have fallen by the wayside, with lack of money cited. The Corps of Engineers previously estimated the study cost between $200,000 and $500,000.

The 90-foot dam is rated a "high hazard" because of its proximity to a heavily populated area.

omplaint attacks Flying J

he Utah Attorney General's of- e has filed a civil complaint ainst Flying J Petroleum Inc., a laware corporation, alleging the npany sold petroleum products ow cost on a number of days in e 1990.

he complaint stems from an ident where a Flying J station Ogden sold gasoline and diesel l in violation of the Motor Fuel rketing Act. The violation was ling below cost on a number of ys in June 1990.

The complaint alleges that these sales injured competition by forcing the Flying J's competitors to choose between losing money by lowering prices below cost, or remaining above cost and losing revenue from the reduced volume of motor fuel sold.

Continued lower prices, according to a Utah Attorney General Paul Van Dam, would eventually force the competitors to abandon their businesses.

Museum to sponsor sale

The Brigham Young University rth Science Museum will spon- a pre-historic sidewalk sale turday beginning at 11 a.m. and ntinuing until after the BYU-New xico Homecoming game.

The museum is located across street west from Cougar Stadi- (1683 N. Canyon Rd.).

While items for sale are pre- toric in nature, they aren't da- according to Janita Andersen of

homicide in the June 27 [illegible] of 16-year-old Kristen Cha[illegible] Ponte Vedra Beach, Fla., who died while hiking as a student in the 63-day Utah.

Cartisano has started a new wilderness treatment program, Challenger Foundation V, in Hawaii.

Poll shows candidates running neck-and-neck

Congressional candidates Karl Snow and Bill Orton are running neck-and-neck in Utah County according to a statewide Democratic Party poll conducted last week and announced Thursday.

Republican Snow and Democrat Orton tied at 42 per cent each among Utah County residents polled by phone from Denver from Oct. 16 to Oct. 19, the state Democratic Party said at an afternoon press conference in Salt Lake City.

Elsewhere across Utah, party chairman Peter Billings reported, Snow leads Orton. Results showed Snow leading 47-32 percent in Salt Lake City, 52-34 in southeastern Utah, and 59-32 in northeastern Utah.

The poll was conducted by the nationally known firm of Ridder/Braden in Denver, according to Utah Democratic Party executive director James Roberts.

Roberts said Utah County, where the two are tied, contains 40 percent or more of the voters in the far-reaching congressional district. He said Salt Lake County represents about 27 percent of the vote and the two eastern sections of the district each account for around 15 percent of voters

The Democrats' poll included a "brief description" of each candidate.

The pollsters described Orton as "42 years old, a tax attorney (who) has been an advisor to Congressional Committees and the IRS on tax issues, strongly committed to education, taught at BYU Law School and other institutions, and as the Democrat in the race."

They described Snow as "62 years old, the Republican in the race, (who) allegedly helped convicted stock broker Michael Strand manipulate penny stock prices, the former Majority Leader (of the state senate who) is running because he believes he has the experience and background to effectively represent you in Congress."

Norton: Review would be 'relevant' to voters

A spokesman for Utahns for Ethical Government has welcomed 3rd Congressional District candidate Karl Snow's proposal for another review of his dealings with a convicted stock promoter.

Thursday morning, Snow called upon GOP Chairman Richard Snelgrove to impanel "an impartial judicial panel" to review the allegations made by UEG.

Scott Norton responded today that the study "will only be relevant to the voter if it addresses questions of honesty and integrity, not merely criminal activity."

Snow had been cleared of wrongdoing by two previous investigations which reviewed his dealings with stock promoter Michael Strand, and the merger of Unique Battery and Global Oil Company. The first report was issued by four attorneys, and the second review was conducted by an accountant and an attorney.

"Let's not confuse legality with ethics. Is any behavior acceptable as long as it's not illegal?" Norton asked. "Karl Snow only talks about legalities. But at what point does a politician violate the public trust? We expect, and the voters expect a higher standard from our elected representatives."

Mt. Pleasant votes to curtail extended yard, garage sales

MT. PLEASANT — The Mt. Pleasant City Council has voted to curtail extended yard or garage sales.

The plan is to discourage abuse of sale privileges and to limit the garage sales will need to obtain a permit from city hall prior to the sale, regardless of the number of days the sale will be held.

The new law is an amendment to

N000170

9 7 0 4 3 8 3 0 7 / 8

The Daily Herald

Friday
Oct. 26, 1990

"You can fool too many of the people too much of the time."
— James Thurber, American humorist (1894-1961)

Opinions

Suffering gas pains

Herald comment

Gasoline is a volatile subject these days — pun intended.

When the price of crude oil soared to around $40 a barrel in the wake of Iraq's invasion of Kuwait, prices at the pump went up. That was regrettable but somewhat understandable. But then, in the past week or two, crude oil prices dropped to less than $30 a barrel before going back up to around $31. What was the result of the price decrease? Many retailers have raised the price at the pump again.

Before rushing to blame the retailers, it should be noted that many only raise prices as their wholesale costs rise. We suspect the major culprits in this drama are the big oil companies. Several reported gigantic jumps in profits for the third quarter of this year compared to a year ago. The reported profit increase windfalls for big oil ranged from over 100 percent to well over 200 percent.

So now comes Congress with a budget plan which apparently will include a hike in gasoline taxes. Gasoline taxes weigh heaviest on Utahns and citizens of other big western states where mass transit is limited and most travel is by auto.

At a time when the national economy is wavering, it seems the height of folly to increase gasoline taxes. Gasoline is the lifeblood of the economy. By affecting the price of fuel for farmers' tractors, to tourism, to the trucking industry, the tax will add to the price of virtually everything. Conceivably, the increased tax could help slow the economy to the point net revenue to the government would be less than if the tax were never levied in the first place.

While government regulation has a way of getting out of hand, the big oil companies' obscene profiteering may make regulation worth consideration. In a way, gasoline is as much a utility as electricity and telephone services which are subject to government regulation.

As far as regulating Congress is concerned, that can only be done at the ballot box.



Letters

Consider school board

Editor:

The one area in the election process that generally seems to receive the least attention is the election of school board members. However, this matter should probably receive our greatest attention since the education of our youth is at stake.

Also, it should be clear that we taxpayers put forth a significant amount of money for education. Income tax, sales tax, and property tax are all sources to help fund education. Check your property tax notice for the amount that goes to your local school district.

It is extremely important that voters look very carefully at the candidates running for the school board. The candidate that you vote for should be carefully assessed in the following areas:

1. The candidate understands the will of the people and is able to exert strength in

The real winners

Editor:

I think it is nice that Gorbachev is being recognized for his efforts toward world peace, though the Nobel prize committee ought to snare an award for political myopia and intellectual dishonesty above and beyond the call of duty.

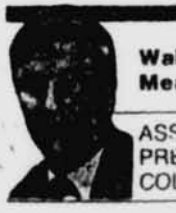
Yes — Gorbachev has dismantled the Brezhnev doctrine of international communist aggression.

Yes, he has presided over the unraveling of the Soviet empire helping to give communism the discredidation is has earned through pathetic oppression of a half billion people and murdering of 100 million people or more.

But giving a peace prize to an aggressor who backs away?

"Hey, Billy-the-Bully. You've been smashing us for years, but you stopped last week. We'd like to you to accept our award for

Taxes: Always a fight about fairness



Walter Mears
ASSOCIATED PRESS COLUMNIST

WASHINGTON (AP) — Democrat Jimmy Carter used to call the income tax system a disgrace to the human race. Republican Ronald Reagan said it was so complex, frustrating and unfair as to be un-American.

Then the system was overhauled, and when Reagan signed a tax reform bill the Democrats helped fashion, he said equity and certainty had been restored.

Not for long.

Four years later, the fairness issue is back, sharply drawn by Democratic insistence that the rich haven't been paying their share. The sole surviving certainty about the reformed tax system is that there will be more pressure for changes, meaning increases, next time the government faces a budget crisis.

That next time is almost inevitable, and in fewer than the five years the 1990 deficit deal was designed to cover. The $500

overly optimistic.

Sen. George J. Mitchell, D-Maine, the majority leader, said nobody could look people in the eye and claim to know what's going to happen over the five-year span. Nor, he said, could there be any guarantee that the government won't have to address the same problem again.

Safer to guarantee that it will be back

accept a compromise.

"But Reagan swallowed hard and the economy moved, and interest rates came down ... when he did what he had to do," Bush said.

His own administration had struggled to avoid compromising on tax rates, trying to hold one of the lines Reagan left, a 28-percent top bracket, set in the 1986 tax reform law. Instead of raising the rate, Republicans wanted to restrict deductions, a disguised, and more complex way of imposing more taxes.

Both a higher rate and deduction limits on the wealthy wound up on the table.

Governors in both parties complained about restrictions on federal income tax deductions, saying that would restrict their ability to raise state revenues, and would set a precedent that could lead ultimately to eliminating the deductibility of state and local taxes.

able to take the time to become informed about the school budget and policy ma[illegible]. Often candidates are very capable p[illegible] however they do not always dedicate adequate time to the task of being a board member.

3. Candidate has sufficient background in the educational process to understand where the school funding is derived and how it is being expended. Also, he or she really understands the impact of recommendations made to the board by school district officials.

4. Candidate will be guardian of the taxpayers' investment in education. Voters work hard to make a living, and they need to be assured that the money they spend for public education will not be wasted.

Please take time to become informed about the candidates running for the school board in your area, and then by all means, vote on election day.

Chuck C. Cummins
Spanish Fork

Alternative choice

Editor:

I am a Republican who will be voting for Bill Orton for Congress. Why? For several reasons.

I am angry at the arrogant power politics of the Republican Party in this county. They started this campaign by mercilessly joining forces against a conservative candidate of their own party because he was not a team player. They then proudly displayed their names on a full-page ad endorsing one of their "good ol' boys" for the congressional seat; except, it now turns out, their candidate appears not to be such a good old boy after all. (I believe what we know of Karl Snow's penny stock dealings and possible charge of income tax evasion may be just the tip of the iceberg.)

I am voting for Bill Orton because he is not a "politician." He is a decent, moral person (described by his friends as a "real nice guy") with a gift of great intelligence, deep insight and understanding of the issues.

Bill is a successful tax attorney who stands to lose 50 percent of his income by being elected to Congress. Then why is he running for this office? Because he is concerned about our country and the direction it's going. He believes that with his creative leadership, innovative new ideas and expertise in fiscal matters, he can make a difference in Congress.

Bill Orton has not received a penny from the Democratic Party and has financed the bulk of his campaign through personal funds. Perhaps the reason for this is that he does not fit the "mold" of the party and is an independent thinker. He describes himself as a conservative Democrat. He is a man of integrity and stands up for what he believes in.

I urge all fellow Republicans to take a good, hard look at the candidates — not the party — and know that there is an alternative to our choice for Congressman from the 3rd District. And that alternative choice is Bill Orton.

R. Higa
Provo

suppress finally stood up so he had to [illegible] away?

Maybe Idi Amin is next year's candidat[illegible] since he has been relatively mute in force[illegible] retirement. He hasn't murdered millions this year so let's honor his temperance.

How about changing the award from Nobel Peace Prize to Nobel's Newest Nice Guy/Keep It Up Award. Gorby would win hands down.

Those really deserving the peace award are two controversial leaders who stood up, drew a line, built up defenses, positively promoted free enterprise much to the chagrin of our liberal loonies, and then called communism what it is — an "evil empire." Maggie and Ron — you're not perfect but millions free from communist suppression will give you their gratitude. Nobel prize or not.

Mark Stoddard
Springville

Bush in heaven

Editor:

Did you hear about President Bush dying and going to heaven? When he got up there, everyone gathered around him and asked, "how did you ever get up here"?

Everyone except one man, standing over in the corner. Bush asked, "Who's that man"?

The crowd said, "He's Moses."

So Bush went over to him and held out his hand and said, "You wouldn't come over and talk to me so I came over to talk to you."

Moses said to him, "The last time I talked to a Bush, I went into the wilderness for 40 years."

Bob Bormann
Provo

estimates, and inflation would have to decrease steadily.

Budget negotiators insisted the numbers are not phoney, even though they may not prove correct. By now, that's the pattern. Deficit forecasts have been far from results during the past five years. Those estimates were computed one year at a time, not five, and the major reason they missed was that economic estimates were

Stop wasteful sp



WASHINGTON — American taxpayers have long since abandoned hope that George Bush will keep the promise that fell so easily from his lips when he needed their votes. That promise, "No new taxes," is just a fond memory. Taxpayers would be satisfied now with a promise that Bush has within his power to deliver: "No more waste."

With higher income taxes and increased excise taxes becoming the congressional method of choice for cutting the deficit, taxpayer tolerance of massive government waste has bottomed out. Whether it be Pentagon toilet seats worth their weight in gold or the $500 billion savings and loan fiasco, Americans have had it. If they have to pay higher taxes, that money had better not go to perpetuate the wasteful spending practices of the past.

Horror stories of avoidable waste come to our attention every day. The Navy wastes millions every year in cost overruns and delays on ship repairs. The Air Force spent more than $2 billion on a radar jamming system that doesn't work. Members of Congress spend more than



9704383077179

N000172

The Daily Herald

Friday
Nov. 23, 1990

"The ultimate aim of the human mind, in all its efforts, is to become acquainted with Truth."
— Eliza Farnham, American reformer (1815-1864)

Opinions

Shall we eat cake?

Herald comment

We quote from a recent editorial in The Independent of London regarding the U.S. elections:

... American voters ... are against the budget deficit, but do not want to pay higher taxes. They are against the rich, but not eager to spend money on the poor. They dislike incumbent politicians, but are unimpressed by their rivals. They want to be strong abroad, but are — understandably — hesitant about war...

This accurate appraisal is also true of the millions of Americans who do not bother to vote. We are suffering from a bad case of wanting to have our cake and eat it too.

Utahns are not immune. We want good roads, great schools, superb law-enforcement, unbridled recreation and pollution-free air. We want high-paying jobs and the world's most inexpensive goods and services to purchase.

In the meantime, we want low taxes and heaven help those who would suggest we carpool, drive less and pick up after ourselves when we go camping or hunting.

In the meantime, we want teachers and police officers to work for less than in other states. We want businesses to sell at narrow profit margins, pay more taxes, pay higher wages, and somehow stay in business so we'll all have a place to work.

Where, and how, do we draw the line? For starters, we may want to consider some of the ideas proposed by the guest editorial writer in the piece below.



Picking out the best

Guest opinion

By *STEVE BEELEY*

Who is the best candidate for Congress?

Most likely, that person's name isn't on any ballot, anywhere in the U.S. He or she is already fully occupied earning a living, trying to cope with higher prices, the threat of stiffer tax rates and, in between times, worrying why the kids can't seem to learn the three R's in school.

Of those people that are running for office, how do you decide who might do the best job? It isn't easy, because all of those running want to be part of the system. And the "system" is the big problem.

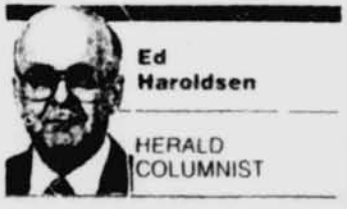
Getting elected is the first rule of politics. Getting picked and then re-picked to stay in the select club that controls the nation's law factory in Washington is a basic prerequisite of being an employed politician.

This fact of political life has resulted in decades of Congress passing laws popular with voters generally or laws favoring selected individuals or preferred groups over others without upsetting enough voters to prevent re-election. Deficits and overspending are neither surprises nor accidents. Congress admits openly they now have a big economic mess on their hands.

How do you decide who to vote for? What are the clues to listen for in the campaign speeches. What's to look for in work and vote and do the very most to:

- Get federal spending down to within federal income right now — not next year or the year after or five years from now.
- Oppose new taxes and genuinely fight against stiffer tax rates.
- Keep the number of laws to the absolute minimum and the government out of people's way to the greatest possible extent.
- Protect your earnings, your savings and your retirement from the ravages of government-caused inflation.
- Pass only those laws that protect the rights of individuals and special interest groups without ignoring the rights of every other American.
- Encourage individuals to invest their talents and resources to open and manage businesses by eliminating anti-employer laws and regulations.
- Pass laws that will reduce conflict, controversy, lawsuits and costly legal wrangling NOT encourage it.
- Pass only those laws that will require the exercise of individual responsibility right along with the exercise of individual

We can be mighty glad we live here!



Ed Haroldsen

HERALD COLUMNIST

Visting in San Francisco recently, I noted a news article in the Chronicle that the Bay Area had just been rated one of the most livable places in the world.

But then I discovered that it was not talking about the most livable places in the world, but the most livable among the 100 largest metropolitan areas in the world. And that is something quite different, for many of us believe that the best living is not around the biggest cities.

Moreover, some would even question the rankings of these metro areas. After all, beauty is in the eye of the beholder, and there are many differing ideas about how nice or miserable a given place is — ideas often based on our own very limited experiences.

right on is their rating. We used to call Egypt an IBM society — with I representing the Arabic word, inshallah, or the Lord willing", B the Arabic word bukra, or tomorrow, and M the Arabic word ma-

high.

And what about San Francisco itself? The Chronicle recently ran an article headlined "City losing its appeal to visitors from the suburbs. This prompted the following response from a reader:

"I have to tell you it is no longer an enjoyable experience to spend an evening in The City. The theater, opera, art museums, symphony and a few restaurants are there, but the environment surrounding them prevents one from relaxing and enjoying them.

If San Francisco truly wants to encourage more tourism and suburban visitors something will have to be done about the terrible traffic and parking problems. the

N0001173

...voting record of incumbents? Pick a person who will represent you NOT some body else, NOT some special interest, NOT some far out scheme or program because it sounds good or has a high sounding name. Pick the candidate you believe will

...rights.

• Pass laws requiring government agencies and bureaus to deal evenhandedly between employers, employees and complainants.

Letters

Price too high

Editor:

Even if the real reason we have troops in Saudi Arabia is to reinsate the rulers of Kuwait and push Iraq out, I'm still opposed to our presence there. But we are there for a lesser reason and that, obviously, is oil. What George Bush and most of Congress are willing to do, then, is trade blood for oil. This is so America can continue to consume oil with more abandon and waste than any other nation in the world. So, in effect, our people would be sent into battle for nothing.

I believe George Bush should be tried for diplomatic incompetence. It was he and his predecessor who, from 1984 until Aug. 2, 1990, defended Saddam Hussein's right to a favorable trade status from legislators who were repelled by the Iraqi government's practice of murdering political opponents and using poison gas on its own people.

Recently, Bush ordered the illegal invasion of Panama, where at least several hundred civilians were killed. All this so he could catch Noriega, thus dispelling his "wimp" image. Noriega sits in jail and will probably soon be free because he has more dirt on George than George has on him.

I think it's time for some serious questions, sich as: "What national purpose are we defending for which human lives are not too high a price to pay, but nudging the auto fleet up a few miles per gallon is?"

Dave Axford
Provo

Political inspiration

Editor:

This message is meant for the Republican Party, particularly to the GOP leadership in Utah's Third Congressional District. I want the party to know why I, along with about 73,000 other third district members, voted against it in this year's congressional race. Don't get me wrong. This is not some kind of "True Confessions" article about facing the shame and embarrassment of coming out of the liberal political closet.

I am proud to have not voted Republican this year, and I want you, the party leadership, to know why.

I am part of the Reagan Era, having spent my entire voting lifetime looking at Republicans in the White House, and I voted for every one of them. I watched gleefully as Jimmy Carter, Walter Mondale, and finally Michael Dukakis fell by the wayside in the Republican's domination of 1600 N. Pennsylvania Avenue, and I cringed at each account of the GOP's shrinking numbers in the U.S. Congress. I lauded Ronald Reagan as the political savior of our time, and I cursed those "no-good liberal eastern Democrats" for trying their best to ruin this country.

As I have watched the political landscape in Utah and across the country these last few years, however, my ideas have undergone a radical transformation. Such things as the Iran-Contra Affair, the Savings and Loan crisis and the continuing budget debacle have given me a stroke of political inspiration: vote for the person, not the party.

Republicans and Democrats alike have their fair share of both good and bad congressmen. Neither party has cornered the market on competent, qualified representatives of the people, although both political parties would have us think otherwise.

The battle cry throughout Utah this election year has been, "Stick by the party; Vote Republican." We've heard that idea spouted by every Republican heavyweight from George Bush on down. But Utah voters have seen the stupidity in that way of thinking. In fact, many of us took it as an insult to our intelligence. This "good ole' boy" attitude of voting for the party in spite of the candidate has gotten old for us, so we voted for a change.

Don't think that I, or my fellow Third District voters, have dropped our conservative view of the world. I still believe that the Republican party line is closer to my convictions than that of the Democrats. In fact, I was delighted to hear that the Massachusetts Democratic machine that spawned the likes of Governor Dukakis and Edward Kennedy was effectively dismantled at the polls this year. I wasn't delighted because the Democrats lost, but rather because those individuals who most closely reflected my beliefs and opinions won.

This is what the GOP leadership in the Third District needs to realize. We voters cast our ballots for the candidate we felt would best represent us in Congress, and that is exactly how we should have voted. Not for a party, but for a person. If the Republicans — or the Democrats, for that matter — hope to see another member of their party representing the Third District, they had better find someone who represents the voters, not the party.

Michael Jensen
Payson

Feast for eyes

Editor:

Today, Friday the 16th of November, I am at the Eldred Center where the Christmaas trees are being decorated in a most gorgeous manner. If you would like a feast for your eyes, please drop by and see these beautiful trees, and all the other nice things to put you in the Christmas spirit. starting the 30th of November through the Christmas Holidays. Come early and stay late, it's all free.

George Simmons

The Population Crisis Committee ranked as tops among the 100 biggest metro areas, the following: 1. Melbourne, 2. Montreal, 3. Seattle, 4. Atlanta, 5. the West German metro area of Essen-Dortmund-Duisberg, 6. Detroit-Windsor (Ontario), 7. Dallas-Fort Worth, 8. Houston, 9. Sydney, 10. Toronto, 11. Manchester (England), 12. the Japanese area of Osaka-Kobe-Kyoto, and 13, the San Francisco Bay area.

There's no question that Aussie big cities are lovely — Sydney as well as Melbourne. And Montreal has its own French charm. I don't know anything about that West German metro area, so I won't comment. But Detroit? They've got to be kidding. And how could anyone but a Chamber of Commerce lackey get excited about sticky Houston, Texas, or Manchester, England? Considering its rich history and charm.

I would have thought historic London would have been a better bet than Manchester.

At the other end of their scale they had Cairo, Egypt No. 87. And based on my stay there from 1984-85 and my recollection of its dirt, noise and squallor I'd say they are

Anti-Semitism is



AUSCHWITZ, Poland — The horror of the Holocaust, so evident here at the crematorium-cum-museum, has not touched the Polish soul. Even though 95 percent of those who died here were Jews, the word "Jew" does not appear on the death camp signs. Instead, they say, "Here four million people suffered and died at the hands of Nazi murderers."

Jews vehemently opposed a Carmelite convent built against the wall of Auschwitz in 1989, fearing it was another attempt to Christianize the place and erase the memory of the Jews who died here.

Poland was once a haven for Jews. Some 3.5 million lived there at the beginning of World War II. Today, there are less than 7,000 — most of them elderly survivors of the Holocaust. Their average age is 70. Jewish leaders are considering a final evacuation of those who remain, for their own safety.

Poland is still not a safe place for Jews to be. Jewish cemeteries, long neglected, are being defaced with swastikas. Obscene slogans appear on the walls of Warsaw's Jewish State Theater: "Jews to the ovens."

Polish Catholic priest, Father Stanislaw Musial, is one of the church's top experts on Jewish-Polish relations. He was candid and critical when we met with him recently near Krakow. "It was a terrible thing," he said. "Imagine 10 percent of the population murdered overnight in America. And yet here, there is no feeling of a void today. I can tell you there has been no sorrow. It is because we lived not together, but side by side."

Although it was the Germans who did the killing, and although many Polish Catholic priests paid with their own lives when they stood up for the Jews, Musial suggested that Poland still needs a moral cleansing from its anti-Semitic roots and the Holocaust.

For centuries, Father Musial admitted,

N000174

9704383078

The Daily Herald

Tuesday
Nov. 20, 1990
B4

"Nothing great will ever be achieved without great men, and men are great only if they are determined to be so."

— Charles de Gaulle (1890-1970)

Opinions

Morale high in Gulf

Guest editorial

By ROBERT S. TURNER
National Commander
The American Legion

As we approach a national holiday set aside for giving thanks for the many blessings we enjoy, every American should also give thanks for the gallant men and women who are serving with the armed forces deployed with Operation Desert Shield in Saudi Arabia.

If there ever was an occasion for our great nation to be proud, it is at this very hour when our forces, along with troops and support materiel from 22 other nations, are on station in the Middle East to thwart a despotic attempt to hold the entire world hostage. On my recent trip to Saudi Arabia, I found the attitude, the dedication, and the competence of the men and women serving our nation in that area of extreme peril to be truly inspirational.

The nay-sayers of this nation have been quick to propagate a myth about morale problems among our Desert Shield troops. Personal contacts and conversations with men and women of all ranks — from the howitzer crew to the infantryman, to the paratrooper, to the medical unit, to the command section — confirm that morale is high.

Sure, there are gripes. What GI doesn't complain about the food? But, overshadowing those small gripes of the Desert Shield troops is an aura of pride and professionalism. They know their jobs and they know why they are there.

They are there at the invitation of the government of Saudi Arabia. They are there to head off a despotic aggressor in his attempts to violate the territorial integrity of other nations and seize control of a major portion of the world's oil supplies.

And they are there — except for some special units, no closer than 30 miles from the Saudi-Kuwait border — to support the Saudi's defenses in the event that Iraqi forces should spill over that border.

The members of our armed forces with Operation Desert Shield are aware that there have been demonstrations in the United States, calling for their removal. Surprisingly, they say it doesn't bother them. More than one of them said to me, "Hey, when you look at the population of the United States, this is just a drop in the bucket."

Another factor contributing to the high level of morale is their own confidence in not only their own capabilities, but also in the capabilities of their support units. In 70 days, more materiel was offloaded in support of Operation Desert Shield than during any one year of the Vietnam War. In the event of any contingency, they are ready, they are capable, and they know it!

Such dedication, such competence, and such service deserves nothing less than the whole-hearted support of every American.

Let them know with letters. Let them know with packages of a variety of items, which may seem minor to us, but which can be of great comfort to them — Kool-Aid, talcum powder, paperback books, blank audio cassette tapes, stationery and envelopes, shaving cream, shampoo, toothpaste, razors, soap, hometown newspapers, fly swatters, batteries (especially the AA size), etc.

It is not necessary to be personally acquainted with a member of the armed forces there to send a package. The Director of Logistics for the Army in Saudi Arabia, Maj. Gen. William G. Pagonis, says that he will guarantee that small packages sent in care of the Command Chaplain would be hauled to the troops in the field. Such packages should be addressed as follows:

Any Serviceperson, c/o Chaplain, USARCENT Support Command, APO New York 09616.

Letters to anyone land-based in Saudi Arabia may be addressed as follows: Any Service Member, Operation Desert Shield, APO New York 09848-0006.

Letters to anyone serving at sea may be addressed as follows: Any Service Member, Operation Desert Shield, FPO New York 09866-0006.

The men and women of our armed forces with Operation Desert Shield are on duty 24 hours a day. Can each of us spare a few minutes to write a letter or send a small package which expresses our appreciation and support?



Fine print is key when going to war



Mike Royko
TRIBUNE MEDIA SERVICES

"As a decent, red-blooded American," Slats Grobnik said, "it's my patriotic duty to bad-mouth Congress, ain't it?"

Of course. It's also fun and helps relieve one's hostilities.

"So I slam my fist on the newspaper and yell about how they throw my money around like playboys, screw up the S&Ls and run political campaigns with as much class as a couple in an alimony fight."

Yes, you do fulfill your civic obligations.

"But as mad as I get, the law says we got to have a Congress, don't it?"

Of course. Our Constitution requires it. The very foundation of our system of wealthy Kuwaitis — and there aren't any

"Yeah, I know. We want to sell them Big Macs. And who else at the U.N. gives the go-ahead?"

There's also the Soviet Union.

"Oh, great, another one of my favorite countries. I spent most of my life wondering if some beady-eyed guy in a baggy suit and a fur hat was going to make me."

Let bygones be bygones, we're now buddies.

"Maybe you are, but I'll never trust a country that won the Olympics with women who have more arm hair than King Kong."

Wait, we also have old friends on the

N000175

9704383078 3

The Daily Herald

Also in this section:
- ☐ Obituaries C2
- ☐ Opinions C4
- ☐ Stocks C5

Local

Friday
Nov. 30, 1990
C1

Utah independence tied to abortion?



Will Grigg
At Home

Karrie Galloway, director of the Planned Parenthood Association of Utah, has described the legislative abortion battle as a battle for Utah's independence. Galloway insists that Utah legislators were "led by the nose" by the National Right to Life Committee (NRLC), which seeks to co-opt the state "into becoming a test case on abortion."

Galloway's concern to maintain the integrity of the state against the encroachment of an outside lobby is, to put it politely, ironic. Galloway, herself a representative of a partisan lobby, made her remarks at a press conference that also featured remarks from Susane Millsaps of the National Abortion Rights Action League, which is the pro-abortion analogue of the NRLC.

Millsaps declared that a national boycott of Utah could be a consequence of the passage of restrictions on abortion. Galloway condemned neither NARAL nor the threatened boycott for compromising Utah's independence.

Utah's best interests will not be served if the state continues to be a battleground on which huge battalions collide. But there is a pungent dishonesty about Galloway's sudden solicitude for the state's sovereignty. Both Millsaps and Galloway, as well as Michele Parish-Pixler of the ACLU, who spoke at the press conference, represent political lobbies that send "missionaries" to labor in "backward ... behind the times" Utah (Millsaps' description). The state is better off being a battlefield for outside lobbies than it would be if it were a placid mission field for lobbies of the type represented by Galloway, Millsaps and Parish-Pixler.

The comments of Galloway and her allies reflect the insularity of the politically "progressive." Millsaps summarized the group's attitude when she [illegible] that Utah would [illegible] tism that characterizes the "progressive," cannot allow for such a possibility.

Utah's independence would be best served if the state would re-assert the fundamental right of any community, the right to make its own laws. It is at the state and local levels that values are clarified, priorities are established, and needs are identified and met. It is at these levels that Utah should labor to protect the lives of unborn children and meet the needs of troubled women. These objectives are not mutually exclusive, and they can be met without mandating the destruction of "unwanted" children.

This phase of the abortion battle coincides with the publication of "The Altruistic Personality," a new book examining the behavior of those who sheltered Jews during the Holocaust. The book offers a re-examination of the conventional wisdom about the "authoritarian personality."

The "authoritarian" person, according to conventional wisdom, is obedient, parochial, and reliant upon authority for his "simplistic" concepts of right and wrong. His enlightened counterpart is the "liberal" who is strong-willed, skeptical, and conspicuously independent.

"The Altruistic Personality" destroys this facile dichotomy by documenting the fact that those who rescued Jews from Hitler were more likely to belong to the "authoritarian" category.

County may be forced to redeem bonds

By JOSEPHINE ZIMMERMAN
Herald Staff Writer

Utah County commissioners may have to redeem the $1.8 million in tax-exempt bonds issued for the County Courthouse remodeling in order to change the building's use.

Commission Chairman Malcolm Beck said terms of the bond issue are so restrictive that many of the agencies the county would like to place in the courthouse would be prohibited from being there.

The bonds were sold a few years ago to remodel the courthouse for use by the 4th District Courts. The state, however, decided against keeping the courts in the building and instead opted to move into a new court building constructed by Provo city.

The new building was dedicated recently, and the courts vacated the courthouse.

County officials have been receiving input from the public and from various agencies concerning future use of the courthouse.

At a recent meeting, they expressed a desire to follow recommendations made by a courthouse study committee to place government and quasi-government agencies in the building, and to leave space for public meetings and activities, art exhibits, etc.

Among the agencies expressing an interest in the building are United Way, Chamber of Commerce, Utah County Travel Council, Sheriff's Department judicial division, etc.

Beck said Utah's congressional representatives are also interested in moving their offices to the courthouse. That arrangement, however, would not be possible with the present tax-exempt bonds.

"The congressmen would pay rent on the building space, and if even one office is rented, we would lose the tax exempt status of the bonds," Beck said. "We're thinking that the best move might be to redeem the bonds, then go with taxable bonds to remodel the building."

No decision has been made, but commissioners say they want to move quickly on a decision because they don't want the courthouse to stand empty.

Deputy County Attorney Guy Burningham has been working on the legal aspects of the bond issue, meeting with bond attorneys and others regarding the tax exempt status.

County officials said agencies like the Utah County Travel Council could locate in the building under the tax-exempt bond status, but United Way could not. The Sheriff's Department judicial division could also be housed in the building without jeopardizing the bonds.

Several proposals for remodeling the courthouse have been advanced, but no final decision has been made. County Engineer Clyde Naylor has colored drawings of some proposals.

County officials said they want to preserve the beauty and character of the 60-year-old building, since they consider it to be a county treasure.



N000176

over protecting the oak brush, the meeting was adjourned without any decisions being made.

He said he got the impression gambel oak "was some species that could never be replaced and would never be seen again."

But according to Steve Smith, Range Conservationist for the U.S. Forest Service, gambel oak is not even considered a sensitive species and is growing "all over the foothills." He said gambel oak was among the hundreds of seedlings planted by volunteers on Wasatch Mountain two weeks ago, but conceded that "it may be a little hard to get started."

Mayor Kay Hutchings said he received word last Wednesday that asbestos had been removed from the edifice before the razing of the building started.

He said a Salt Lake City company is razing the building.

The mayor said part of the demolition contract "calls for putting in sod on the site where the building is, once a hole there is filled up. The sod won't be put in until probably next spring."

He said the place will serve as a park until the city decides whether to build a new swimming pool there.

He said that while the school building was standing, he had two

(County)."

He said the former American Fork Junior High's deteriorating condition made it a fire trap. "If a fire got started, we'd have problems," he said.

The mayor said, "The whole community can enjoy the 11-acre park that is to be established on the site of the old junior high."

The old building was at the center of a long battle between city officials and local building preservationists. One of the leaders of the crusade to save the building was lifelong resident Juel Belmont.

She said, "There were many great possibilities for that building."

performances there. The idea never got off the ground.

Recently, Ryan R. Elliott, a Cedar City architect, had approached the City Council with an idea of converting the building into a 28-apartment complex. Hutchings said people didn't like Elliott's proposal.

Belmont said she felt bad that taxpayers' money is being used for the demolition porject. She argued that the money would have gone for better use, if the city officials had opted to renovate the building instead.

Hutchings said costs for renovating the building would have been too much for the city to handle. The mayor pointed out there were

mistake," she said.

She said that until city c are educated about the imp of preserving old buil "they're going to keep t them down like they've d old junior high."

Belmont said building had come before the City and presented proof that junior high was structurally and could be put back into u

She said that instead of li to the experts, "they (th Council) chose to look at tive of demolishing the b How can you educate peo have already decided to tea an old building?"

ng to keep up ent increases

Warner said students at UVCC, which started a semester system this fall, registered for the same number of classes as in the past but instead of having a full-time load of 15 credits with three classes, they are taking nine credits and fall below the full-time level. The state uses a funding formula based on full-time equivalency.

UVCC has 28 more students this fall but 12.73 percent fewer full-time students. UVCC is the only state institution of higher education that had a decrease in full-time equivalency this fall.

If the appropriation is approved, the University of Utah will receive an additional $2,034,000; Utah State University will receive $2,875,900; Weber State, $1,205,600; Southern Utah State, $340,000; Snow, $407,000; Dixie, $154,500; College of Eastern Utah, $275,100; Salt Lake Community College, $3,777,800.

The regents have moved this supplemental funding request ahead of other one-time money requests such as $9,669,800 for science and technology, and individual requests from each institution.

Karl Snow back at BYU

Karl Snow, who was defeated in a race for the 3rd Congressional District, has again begun working in BYU's Marriott School of Management.

"At his own request, Karl is taking on some research projects of his own design," Public Communications Director Paul Richards said. "This will be a non-teaching assignment until next fall semester."

Beginning in the fall of 1991, Snow will be back on the School of Management faculty full-time, Richards said. "He will also be using the time to prepare for his teaching assignment."

Richards indicated that this would be the first teaching assignment that Snow has taken for six years.

Snow took a leave of absence from his position as BYU assistant vice president of development to conduct his campaign.

Snow responsed, "I'm excited about what I'm doing and that the university has accepted my request."

Snow said his research project will fit just fine with his schedule and means less travel than his position as a vice president required.

Snow's research will be an institutional project. He said it "will be challenging and exciting."

Snow was a vice president for the past three years, and has been involved in administrative duties for three years prior to that.

"I expect to do some teaching," Snow said. "Even in my administrative duties I was able to teach a class every sememester, and I always enjoyed it."

Snow joined the BYU faculty in 1962. He took a leave from 1966-1969 to serve as a fiscal analyst for the Utah State Legislature and then returned to the school as director of the Institute of Public Management in the Marriott School of Management.

BYU's policy allows employees to recieve approved leave, but does not guarantee the employee will be returned to the position he or she vacated.

Committee to conside orders, permits Dec.5

By JOSEPHINE ZIMMERMAN
Herald Staff Writer

The Utah Solid and Hazardous Wastes Committee will consider orders and permits dealing with two Utah County industries at its meeting Dec. 5 at the Cannon Health Building in Salt Lake City.

Kenneth Alkema, director of the Bureau of Solid and Hazardous Waste, said the staff has prepared stipulations and a consent order for Reilly Industries which operates a coal tar distilling plant at Ironton.

The consent order will involve payment of a $35,000 fine for violation of regulations concerning storage of hazardous wastes, and an agreement to correct the problems.

Reilly, also known as Reilly Tar and Chemical, purchases crude coal tar from Geneva Steel and distills it into creosote and pitch. The pitch is sold to aluminum companies for use as an electrode binder, and the creosote is sold for wood treatment.

Reilly Industries was issued a permit on Oct. 15, 1985 to store K035 hazaradous waste in an evaporation tank. Representat the Utah Solid and Haz Wastes Committee conduct pliance inspections at the on Dec. 7, 1989 and Jan. and found numerous drums ardous materials stored in ly.

The violations included tr of hazardous waste witho approval, failing to clearl "Hazardous Waste" on all lating 55-gallon drums waste, failure to maint a closed condition excep adding or removing waste to perform inspections of hazardous waste drums, st hazardous waste in a pile plan approval, insufficie space to allow access to a in case of an emergency, f perform specific waste tests prior to off-site s deficient personnel t records, and other infractio

Alkema said his staff h working with Reilly to pre consent order.

N000177

9704383078 5

Inside Today:
The crunch is felt everywhere as prices of oil continue to increase
Page B1

Nation
Sudan looking at major famine
Page A3

Lifestyle
Paris fashion; Chanel, Dior
Page D1

Sports
Jazz lose their sixth straight
Page B5

N000178

The Daily Herald

Thursday, October 25, 1990 — Central Utah's Newspaper for 116 Years — Issue No. 86, Provo, Utah — 50 Cents



Conferees near accord on budget

Bush signs spending measure to keep government operating until weekend

WASHINGTON (AP) — Congressional leaders, in virtual agreement on major tax issues, sought spending compromises today as they neared completion of a deficit-reduction plan that has the support of a majority of lawmakers and President Bush.

"Do not despair; the end is in sight," said Rep. Silvio Conte, R-Mass., as the House and Senate inched toward final adjournment of the 101st Congress.

Early this morning, Bush averted a partial shutdown of the government by signing a temporary spending measure that will keep operations going until midnight Saturday.

White House spokesman Marlin Fitzwater said Bush was satisfied with the overall final package that was emerging, although there were still some details to be worked out.

"There have been compromises on both sides," Fitzwater said, noting that the package meets Bush's overall goal of a $500-billion, five-year budget package.

A senior administration official, briefing a group of reporters on the condition of anonymity, said Bush expected wide bipartisan support in both chambers for the budget deal.

Assuming no unexpected hitch, final votes on the deficit-reduction package could come Friday in the House and Senate. That would close another chapter in a long-running fight between the executive and legislative branches and remove the major obstacle to adjournment — barely a week before the Nov. 6 elections.

"We still have a lot of work to do," Sen. Lloyd Bentsen, D-Texas, chairman of the Senate Finance Committee, told reporters as leaders began another series of closed meetings to work out the budget plan.

The plan will mean higher taxes on tobacco, alcoholic beverages, airline tickets, cars, boats, furs and jewelry. A gasoline tax increase of 5 or 8 cents a gallon is likely and retirees probably will have to pay more for Medicare coverage.

Several changes whose details were still being negotiated will mean heftier income taxes on those with higher incomes, especially those above the $100,000-a-year range. But a provision that would have raised taxes on lower-and middle-income Americans by forgoing next year's scheduled inflation adjustment in income taxes was dropped.

Leaders of both parties em-

(See BUDGET, Page A2)

Snow calls for panel to probe allegations

Herald staff report

Third Congressional District candidate Kari Snow today called for yet another independent investigation of his links to controversial penny stocks figure Mike Strand.

Snow couched the request in a letter transmitted by facsimile this morning to Utah Republican Party Chairman Richard Snelgrove.

"In the interest of fairness and the dignity of the electorate," Snow wrote, "I ask you to immediately appoint an impartial judicial panel to evaluate these allegations and assertions."

In the same paragraph, Snow calls "upon anyone having information relative to this matter to cooperate."

Snelgrove could not be reached for comment this morning.

"This does not mean that we do not accept the independence of the previous two reports," Snow campaign manager Clark Caras told The Daily Herald this morning. "Our feeling is that maybe with a final report Mr. Orton (Snow's Democratic opponent Bill Orton) and the other detractors, will settle down and take hold of the issues."

This is a demonstration, Caras added, of Snow's willingness to open his life to public review. "He's never tried to hide anything," Caras said. "We do question the credibility of those that issue these allegations and challenges."

The letter to Snelgrove represents Snow's third attempt to find an unimpeachable panel capable of investigating and reporting on his ties to Strand. It also comes on the heels of a Wednesday press conference in which three investors accused Snow of lying recently about his role in the failed 1985 merger of a company called Unique Battery with Global Oil, a Strand-controlled penny stock company.

Snow's alleged ties to Strand surfaced repeatedly during his summer primary race against fellow Republican congressional hopeful John Harmer. The documents detailing the alleged links came in for detailed investigation only after Harmer lost the September primary.

Snow's relationship with Strand was investigated and reported on by a panel of four lawyers who during the primary set out to investigate Harmer and who ended up looking at both Harmer and

(See SNOW, Page A2)

the Constitution of the United States," defense attorney Frank Rubino said of Panama, "and I believe they are doing this with the help of the United States."

The United States holds $20 million of Noriega's money in frozen international bank accounts, $6 million of which has been earmarked for Noriega's defense attorneys. But Craig said Panama would seek an injunction halting any release of

Another of [illegible]iega's lawyers, Jon May, said[illegible] not read the entire lawsuit but that if it included allegations similar to the government's criminal case, it is "fiction."

Eduardo Vallarino, Panama's ambassador to the United States, said his country is also preparing criminal charges against Noriega but won't try to extradite him until after his U.S. trial.

with any contingency," Cheney said on "CBS This Morning." On ABC's "Good Morning America," he said: "We've not yet settled on an upper limit in terms of our total deployment. So for a number of reasons I would expect a continuing flow of forces to the gulf in the period ahead."

The Pentagon sources, speaking on the condition of anonymity, said that if more troops were sent to the region they likely would be heavy tank divisions, either from the United States or Europe. These sources also said it was possible some non-essential units might be brought home by Christmas, with the 82nd Airborne Division a likely candidate.

by more and more tax increases.

T[illegible]ks have produced preliminary agreement on major tax issues, including:

- Raising the top tax rate on the wealthiest people to 31 percent from the present 28 percent. The 33 percent rate paid by upper-middle-income people on some of their earnings would drop to 31 percent.
- Phasing out the $2,050 personal exemptions for single people with taxable incomes over $100,000 and couples above $150,000.
- Permitting writing off only 97 percent of otherwise allowable deductions against any portion of adjusted gross income over $100,000 a year.

SNOW:

(Continued from Page A1)

Snow. The Snow/Strand relationship later came under detailed scrutiny by this newspaper.

At the same time, Snow enlisted the Provo CPA firm of Curt Bramble to get to the bottom of Snow's links to Strand and the Unique Battery/Global Oil mess.

Bramble's report — and various news accounts of Snow's substantial but previously unreported ties to Strand between 1983 and 1987 — recently spawned creation of a citizens group, Utahns for Ethical Government, which sponsored Wednesday's press conference.

"During this campaign," Snow writes in his letter to Snelgrove, "there have been scurrilous and fallacious attacks on my character and my record.

"These pernicious allegations have been made for devious and misleading political reasons by convicted felons, known criminals, polygamists, and other corrupt lawbreakers," he wrote. "They are deceptive and an offense to the voters of this district."

The three men who publicly accused Snow on Wednesday of lying were John Darger, a principal of the failed Unique Battery company; Percy Kalt, a former BYU professor and investor in the failed merger who in 1989 fire-bombed Strand's house; and Herb Gleason, a Unique/Global investor who flew in this week from Florida to accuse Snow.

All three men told the Herald after their press conference why they are speaking out now — when they did not publicly accuse him in years past.

Each said he has watched Snow on the campaign trail continually make statements that they believed were not true. They included in that category Snow remarks minimizing his relationship to Strand and his involvement in the Unique/Global business initiative.

The trio said Snow's involvement was not casual, but extensive. They said Snow's recent misrepresentations angered them and moved them to come forward.

Kalt said, "Snow told me he was an officer of Global Oil/Unique Battery. He gave the company and Strand his highest recommendation."

Kalt also said Snow told him that he had helped get Strand released from prison. Snow recently acknowledged having conducted a sustained campaign to federal officials to review what Snow viewed at the time as Strand's wrongful conviction in 1978.

"Karl said yesterday that he understands the principle of caring, Kalt related Wednesday. "But when it became obvious that I had been defrauded, I called Karl and asked him why he had recommended the stock to me. 'I had nothing to do with this,' he replied. 'Please leave me out of this.' "

Gleason said he initially had reservations about investing in the Unique/Global merger because of Strand's criminal record. But he said Snow's standing as a state senator and BYU professor helped offset those reservations. "Snow's credibility was a major factor in my decision to invest," Gleason said, adding that he witnessed many meetings between Strand and Snow.

"Snow admitted openly that he had an official position in Strand's company — a position that was represented as ownership," Gleason said.

JULIUS:

(Continued from Page A1)

also working there. Their names are Polly Grip and Alexander the Grip.

According to their owner, all three snakes are teen-agers. Julius Squeezer's age is 15, and the Grips are both 16.

"They're really friendly snakes," Bone said. "When the people connected with the spook alley first saw them, they were scared. I told the people that within two weeks, they would be used to the snakes. But within a week, the people were used to the snakes."

"I hate snakes, but I have grown to love Julius," said Shippen. She said spook alley visitors have squirmed at seeing the snakes.

Bone said Julius and the Grips "are all loving their roles at the spook alley."

They can be seen at the Haunted Mansion until Nov. 1. The spook alley is open 7-11 p.m. Monday through Saturday. Admission is $5 for adults, $3 for children. Proceeds are to go for the purchase of a new ambulance.

REDEVELOP:

(Continued from Page A1)

Agency, the municipal council will have the redevelopment area's preliminary plan presented before them for action Tuesday.

This plan will include a set of relocation rules should projects require relocating residents to other areas, said Cole Durham, redevelopment consultant.

Participation rules, or rules giving property owners within the area preference over outsiders for redevelopment projects, will also be part of the preliminary plan, he said.

Should the preliminary plan be adopted, the city would then consider adopting the final redevelopment plan. Public hearings would then be held and finally, the adoption and actual implementation of the redevelopment area would be considered.

Richard Secrist, assistant community development director, said the Community Development office hadn't heard anything definite on whether there are still plans for a high rise apartment development in the proposed redevelopment area.

The owners of 17 acres of property within the affected area had previously expressed concern that establishing a redevelopment area would hinder their plans to develop the apartments.

Durham said if property owners representing 40 percent of the acreage within the proposed area voice opposition to a redevelopment area, the area would not be established.

Only about 25 parcels of property exist in the area, he said, adding that Madsen planned to visit with all the property owners during the process.

Air Pollution

The following information is taken from the Wasatch Front air pollution report compiled by the Utah Bureau of Air Quality. The complete report is available by telephone at 373-7660.

Conditions as of 8 a.m. were as follow:

Residential Areas

UTAH COUNTY ..... good
Salt Lake ..... good
Weber ..... good

Downtown Areas

PROVO ..... good
Salt Lake ..... good
Ogden ..... good

Overall Air Clarity

The air quality for today was good in all areas along the Wasatch Front.

Outlook

Forecast called for a slight decrease in pollution levels with a clearing index of 450.

24-Hour (Index) Highs

The Daily Herald
(U.S.S.N. #891-2777)
Second Class Postage Paid at Provo, Utah
U.S.P.S. ID #143-060
Published Daily by SCRIPPS LEAGUE NEWSPAPERS, INC.
1555 North Freedom Blvd.
P.O. Box 717
Provo, Utah 84603-0717
KIRK PARKINSON, Publisher
N. LEVERL CHRISTENSEN, Editor/Editor Emeritus
1949 - 1989
POSTMASTER:
Send change of address to:
The Daily Herald
P.O. Box 717
Provo, UT 84603-0717
MEMBER
Audit Bureau of Circulation

N000179

Freshwater
Pearl Necklace
$69



Two Days Only

Reg. $145 Save over 50% on this four-strand freshwater pearl necklace featuring a high-polished sterling silver clasp, in a flattering 24" length. On sale this Friday and Saturday only in Fine Jewelry. Not at Cache Valley.

BANANAS
Golden Ripe, Lb. 19¢
ORANGES
Calif., choice 5 for $1.00
CAULIFLOWER
Lb. 29¢

REAM'S QUALITY MEATS
S
Bot

RUMP ROAST
Boneless, Lb. 1.89
FRYER BREASTS
Country Fresh, Lb. 98¢
SAUSAGE
Smoked Polish, oz. 4.49
PIZZA
Lindsay's, 29 oz., Ea. 2.29


White
2

BATHROOM TISSUE
Angel Soft, 4 Rolls 89¢
BREAD
Rooms, White/wheat 3/1.00
DINNERS
Budget Gourmet, Fr. 1.25
DAIRY DESSERT
Simple Pleasures 1.49



C
Whipped T
12 oz

CAPRI SUN
10 Pack 1.99
MICROWAVE SOUPS
Campbell's Asst. 59¢
CINNAMON ROLLS
Pillsbury, 8 ct. 89¢
DIAPERS
Baby's Choice, Ultra 6.99

HALLOWEEN IS JUST A
CHILDRENS

WI
MA

WITCH BROOM
Children's 2.99
DEVIL PITCH FORK
Reg. 4.99 1.99
TOOTH BLACKOUT
Reg. 2.50 1.29
FAKE BLOOD
Reg. 1.29 2/1.60

'VIDEO CO

PRETTY WOMA

DEER SKIN GLOVES
Top Quality 5.99
SEIKO WATCHES
Limited Selection 60% OFF
BABY WIPES
Diaperene, 180 ct. 1.74
ANTI-FREEZE
Western Family, One gal. 3.29


POLISH
LG. DRI
ICE CRE

9704383078 7

The Daily Herald

"The next great step of mankind is to step into the nature of his own mind."
— Stanley Kauffmann, American critic

Opinions

Thursday
Nov. 15, 1990
D4

Time for real reform?

Herald comment

It's National Education Week this week and all across the nation it is business as usual within the educational establishment. It is also business as usual here in Utahas lamented in the cartoon by local artist Scott Wilson on this page.

Business as usual in education means frustrated teachers trying to accompish the impossible and feeling unappreciated. It means frustrated students — most dropouts come from the brightest and the slowest students — as the system teaches to the average. It means long-suffering taxpayers nearing the breaking point.

Over the years, there have been hundreds of studies and hundreds of reports and they virtually all reach the same conclusion: There are some serious problems with the system. But then life goes on and it is more business as usual.

Wanted, there have been some cosmetic changes and some scattered successful incidents of breaking from the mold. For the most part, however, the system is little different than it was at the turn of the century.

Students are still taught cursive writing when they are just beginning to master manuscript writing (printing) and may not get a chance to learn keyboarding (typing) until high school. This is in spite of the fact that many "real world" jobs require keyboarding skills and cursive writing is almost never required anywhere outside of school classrooms. It is in spite of studies showing using a computer or typewriter can help improve composition and reading skills for children in the primary grades.

Why does this continue?

Tradition?

Educators want, and most deserve, more money. Taxpayers are asking when will it end? In the meantime, we continue the K-12 system invented sometime in a previous century. Is 13 years of public schooling necessary? Could we do just as well — or better due to smaller class sizes and a number of other factors — with a program lasting 10 years, or even eight?

Some teachers might admit the junior high years are essentially a holding pattern with the curriculum consisting of review of earlier years and watered-down versions of material to be "re-taught" later in high school.

Could school start at a later age? Age eight? Ten?

Could we turn students loose on society a year or two earlier?

Will there ever be real education reform? Will we ever get away from business as usual? Hope springs eternal, but we're not holding our breath.



Things aren't OK down at the corral



Mike Royko
TRIBUNE MEDIA SERVICES

Marshal Wyatt Bush strapped on his six-shooters and stepped into the hot dusty street.

"Ready to go, Doc?" he said.

Doc Mubarak shuffled his feet and said: "Uh, can't we talk?"

"What's there to talk about?" Wyatt Bush said. "The low-down Damn Sam gang is down at the OK Corral waitin' for us. The talkin' thing is over. It's time for the shootout thing."

Doc Mubarak wiped his brow and said: "What if we send Damn Sam a message?"

Wyatt Bush shook his head. "We already sent them messages. It's time for us to kick some fanny. Ain't you with me, Doc?"

Doc Mubarak nodded his head vigorously. "Of course I'm with you. What do you take me for?"

"Good," said Wyatt Bush. "Then let's go do it."

parts. Goin' way back, we're all related, ya' know. And most of us go to the same church. I don't want to hurt your feelings, Wyatt, but you just ain't kin. You got different ways. I mean, you and your deputies ride horses. And around here, we're still partial to our camels."

"Doggone, Doc, after Damn Sam went and rustled everything at the L'il Q- don't much cotton to you throwin' in with them."

"And who might these spreads be?"

"There's the P&L&O Bunch, and the boys by the ol' River Jordan, and, well, just about everybody 'round here. Ya' see, that's why we'd just as soon you not ruffle Damn Sam any more. 'Cuz if you do, he's likely to start shootin' at the Izzy Real Ranch. Then if the Izzy Real Ranch starts shootin' at him, you're gonna be on the side of the Izzy Real crowd, right?"

"I sure will. They can be cantankerous, but we ride together."

"See, that's what I mean, Wyatt. If the Izzy Real Ranch gets into this, and you're with them against Damn Sam, then the rest of us are just gonna have to switch sides and we're gonna be with Damn Sam against you and Izzy Real. 'Cuz as much

Letters

Political requisites

Editor:

To achieve quality public service and responsibility, professional service and political service have similar requisites.

Certified public service professions, in addition to proof of competence, demand of their members adherence to moral and ethical standards of conduct. Therefore distinguished professions, dedicated to the betterment of society, readily recognize that it is the moral fiber that holds the profession together.

Similarly, in representative government, the ideal political election procedure is a

which politicians were too clever to debate, and in fact they labeled these hot winds as non-issues. The anti-establishment voters plus Republicans alienated by Snow's ethical problems created a landslide for Mr. Orton.

Orton is a bright, fresh new face in Utah politics and could enjoy a political future, but, issues must be faced to be a leader. This country is in big trouble! Polarized though it is, Utah will handle its problems, it always has.

Now Bill, are you a leader, or just another politician?

Eugene J. Faux
Provo

Art critic

N000180

Political requisites

Editor:

To achieve quality public service and responsibility, professional service and political service have similar requisites.

Certified public service professions, in addition to proof of competence, demand of their members adherence to moral and ethical standards of conduct. Therefore distinguished professions, dedicated to the betterment of society, readily recognize that it is the moral fiber that holds the profession together.

Similarly, in representative government, the ideal political election procedure is a two-way process. The voters (electorate) should vocally demand quality standards of public performance and statesmanship. Candidates selected should merit certification commensurate with the position of public trust that they aspire to. Additionally, candidates positional statements on current social issues should be publicized.

In addition, political positions, which formulate regulatory laws, governing the conduct of citizens they serve, should provide comparable regulatory laws to discipline and self-govern positions of public trust. A disclosure of voting record, attendance record, financial contributions and ethical status should be readily available to the public.

To the politician, America is still a "land of promise." But political systems ought not propose that politicians, endeavoring to carry out promises, should "carry their water in two buckets."

John E. "Jack" Smith
Former Utah state legislator

Middle East problems

Editor:

We talk a lot about Middle East problems in U.S. History. Things seem to be pretty bad and, many of us have to suffer some of the consequences. How much higher will the prices of gasoline go?

Also, we have families separated because some have to go to defend our country. When will all the madness in the Middle East stop?

Tristen Kimball
American Fork

Polarized electorate

Editor:

The political pundits may not have assessed Utah's political winds completely in the last election. It is obvious that the electorate was polarized before campaigning even began, not so much in terms of Republicans and Democrats, but the fundamental Utah issues: LDS vs non-LDS, big families vs education costs, school prayer vs the civil rights people, right to life vs pro-choice groups; all were inflammatory issues [illegible] politicians were too clever to debate, and in fact they labeled these hot winds as non-issues. The anti-establishment voters plus Republicans alienated by Snow's ethical problems created a landslide for Mr. Orton.

Orton is a bright, fresh new face in Utah politics and could enjoy a political future, but, issues must be faced to be a leader. This country is in big trouble! Polarized though it is, Utah will handle its problems, it always has.

Now Bill, are you a leader, or just another politician?

Eugene J. Faux
Provo

Art critic

Editor:

Recently, I visited the Harris Fine Arts Center at BYU to enjoy the drawing exhibit there. For the most part, I thought the show was excellent. However, in Gallery 203, I was a little disappointed to see a piece with some serious, immoral innuendos. I felt that this one work really detracted from the rest of the presentations.

"Truth is Beauty" is a frequent statement heard in art circles. However, "truth" can be ugly, depressing, offensive and far from the standards of our faith. We have been given direction by our church leaders to fill our homes with art works of a moral and inspiring beauty. These guidelines also apply to our school.

BYU's galleries have a special opportunity to uplift their patrons with art that is as spiritually inspiring as it is well done.

I hope to see more works of art which will build the spirit of the "Y."

Cliff Dunston
BYU staff member

Not too worried

Editor:

I'm not too worried about the Persian Gulf crisis since I can't drive or go to war. (I'm 15). I still think Saddam Hussein is a wanna be Adolf Hitler. I think our armies that are stationed in Saudi Arabia should attack Hussein and his Iraq armies. If I was Hussein I would back out of Kuwait before I got in over my head.

I think President Bush, Saddam Hussein, Emir Jabir al-Ahmad, Mikhail S. Gorbachev and Abdul Gamel Nasser, should have a meeting and settle this thing as fast as they can. If I was a soldier I wouldn't want to have to drink 8 gallons of water a day to stay alive.

I think it is way too expensive to be keeping the soldiers there in Saudi Arabia. For example, it costs $9.7 million per day just for the Navy. (There's also the Marines, Army, and Air Force).

Andy Durrant
American Fork



[illegible] and slipped into the hot dusty street.

"Ready to go, Doc," said.

Doc Mubarak shook his head. "Uh, can't we talk?"

"What's there to talk about?" Wyatt Bush said. "The low-down Damn Sam gang is down at the OK Corral waitin' for us. The talkin' thing is over. It's time for the shootout thing."

Doc Mubarak wiped his brow and said: "What if we send Damn Sam a message?"

Wyatt Bush shook his head. "We already sent them messages. It's time for us to kick some fanny. Ain't you with me, Doc?"

Doc Mubarak nodded his head vigorously. "Of course I'm with you. What do you take me for?"

"Good," said Wyatt Bush. "Then let's go do it."

"Go where?" asked Doc Mubarak, wiping his brow.

"To the OK Corral."

"Oh," said Doc. "Well, I can't do that, Wyatt."

"But you said you was with me."

"Well, yes, I'm with you here."

"What do you mean, here?"

"I mean that if they leave the OK Corral and come down here lookin' for trouble, I'm with you 100 percent."

"Dang it all, Doc, they ain't gonna come down here. That's why we got to go down there and have it out with 'em."

"Sorry, Wyatt, I can't do that. Wouldn't look right."

"What'ya mean, it wouldn't look right?"

"Well, you got to understand, Wyatt, there's a lot of people in these parts who admire Damn Sam and his gang."

"Admire 'em? Why, their nothin' but backshootin', thievin', sneaky varmints."

"Can't argue with you on that, Wyatt, but nobody's perfect. Besides, they're kind of like kin to most of the folks in these parts. Goin' way back, we're all related, ya' know. And most of us go to the same church. I don't want to hurt your feelings, Wyatt, but you just ain't kin. You got different ways. I mean, you and your deputies ride horses. And around here, we're still partial to our camels."



Mike Royko
TRIBUNE MEDIA SERVICES

"Doggone, Doc, after Damn Sam went and rustled everything at the L'll Q-Waiddy Ranch you folks asked me and my boys to come in here and handle things. You were afeared that he was gonna come ridin' in and rustle the whole Sue-Dee spread."

"Yep, and you did a fine job, Wyatt. Soon as you got here, Damn Sam forgot all about botherin' the Sue-Dee Ranch. You scared 'em real good. Now why don't we get in out of the sun and I'll have the cook fix you up a plate of figs."

"Can't do that, Doc. This Damn Sam is bad news. If me and my deputies don't go down there and have it out with him now, he's gonna just keep stirrin' up trouble. I hear he's got a real big hate for the folks at the Six Star Lzzy Real Ranch. And they're friends of mine."

"Yeah, well, I'm sorry you mentioned that, Wyatt. See, that's another problem. Most of the folks around here got a big hate for the Lzzy Real Ranch. Think they're nothin' but a bunch of danged squatters. Ain't got no business in these parts. And lots of the spreads around here

Taking stock of Bush's chance



Jack Anderson
& Dale Van Atta
UNITED FEATURE SYNDICATE

WASHINGTON — Analysts delivering the election post-mortems this week are puzzling about why the two old standby issues of our time, peace and prosperity, did not play a role in this election. Prosperity is slipping through our fingers and peace is about to be sacrificed to preserve the price of regular unleaded. But voters did not seem to weigh those issues heavily when they voted.

That may be because neither issue is yet ripe. At this rate though, they will progress beyond ripe to rotten by 1992.

Then the post-mortems on the 1990 election will become the pre-mortems for George Bush.

Under Bush's stewardship, his party has slipped further into the minority in Congress and critical redistricting decisions have been handed to more Democratic governors. With Bush's own popularity slipping, it is no wonder that a few GOP candidates responded to his offer to campaign for them by saying, "Thanks, but no thanks."

Blame some of Bush's poor performance on bad tutors. He made a pre-election, macho, verbal assault on Saddam Hussein, who is not a Democrat and who was not on any ballot on Nov. 6. Bush then threw his political weight behind the American hostages in Iraq and Kuwait, but they weren't running for anything either.

When the president finally got around to campaigning for his fellow Republicans on domestic issues, what could he say? "Sorry about those taxes?" "Sorry about that recession?" "Are you better off now than you were two years ago?"

The voters were equally at a loss to make sense out of this election. Should they have voted out the rascals who raised their taxes, or the rascals who profited from the savings and loan debacle or the rascals who wait hand and foot on special interests? In the end, the voters proved once again that all politics are local. They took out their frustrations on the rascals at home — the incumbent governors.

That's bad news for Bush. Not only were many of those rascals Republicans, but the much advertised purge of Congress did not materialize. Now the president must figure out whether the urge to purge passed harmlessly, or whether it is still in its infancy and will peak in 1992 when Bush is the rascal at the top of the ballot and Dan Quayle is his right-hand man.

By 1992, Bush had better find a constituency because he doesn't have one now. Say what you will about Ronald Reagan, he had an army of "Reaganites" — people who would fall on their swords rather than desert him. The term "Bushite" is not even in the American political vocabulary, and nobody can accuse Bush of being coated with Teflon.

Bush's deficit reduction strategy was nearly sabotaged by an outlaw from his own party, Rep. Newt Gingrich, R-Ga., who barely won re-election in his own district. In Bush's home state of Texas, the voters elected a Democrat as their governor, Ann Richards, whose biggest claim to fame is her acerbic putdown of Bush — born with a "silver foot in his mouth."

Ronald Reagan surrounded himself with people who believed in him. Bush has surrounded himself with people who work for him and believe in their careers.

And the voters don't know what to believe. Bush said he would be the environmental president and the education president, but he has become neither. He said he would not raise taxes, but he did. He said he would win the war on drugs, but

N000181

9704383079

N000182

The Daily Herald

"Nothing is more despicable than a professional talker who uses his words as a quack uses his remedies."
— Francois Fenelon, French theologian (1651-1715)

Opinions

Monday
Dec. 3, 1990
B5

The four-letter crime

Herald comment

A group of Brown University students have taken to bathroom wall graffiti to fight the campus' rapists. These anonymous students scrawl the names of alleged rapists on the bathroom walls and replace the names when janitors scrub them away.

Many students applaud the efforts of those people administrators label as "magic marker terrorists." Frustrated with the university's lack of policy regarding rape, some say the wall is a method that will force Brown officials to take rape more seriously.

One student said, "It was an act of desperation in an attempt to get Brown to act responsibly and provide us with a system where we can air these grievances publicy as opposed to bathroom walls."

Students are justifiably outraged about rape and the university's lack of action. In the past, the college disciplinary council strongest action has been ordering rapists to write letters of apology to their vicitims or to attend a three-hour counseling session.

Brown began compiling statistics on student rape less than two weeks ago. Students claim the university has been slow to recognize the need to address rape.

While we may like to think campus rape and date rape don't happen on Utah campuses, the fact is Utah is not immune. Everyone from university officials, to police officers, to private citizens must address the issue of rape. A disgusting crime, it should always be actively addressed in any community.

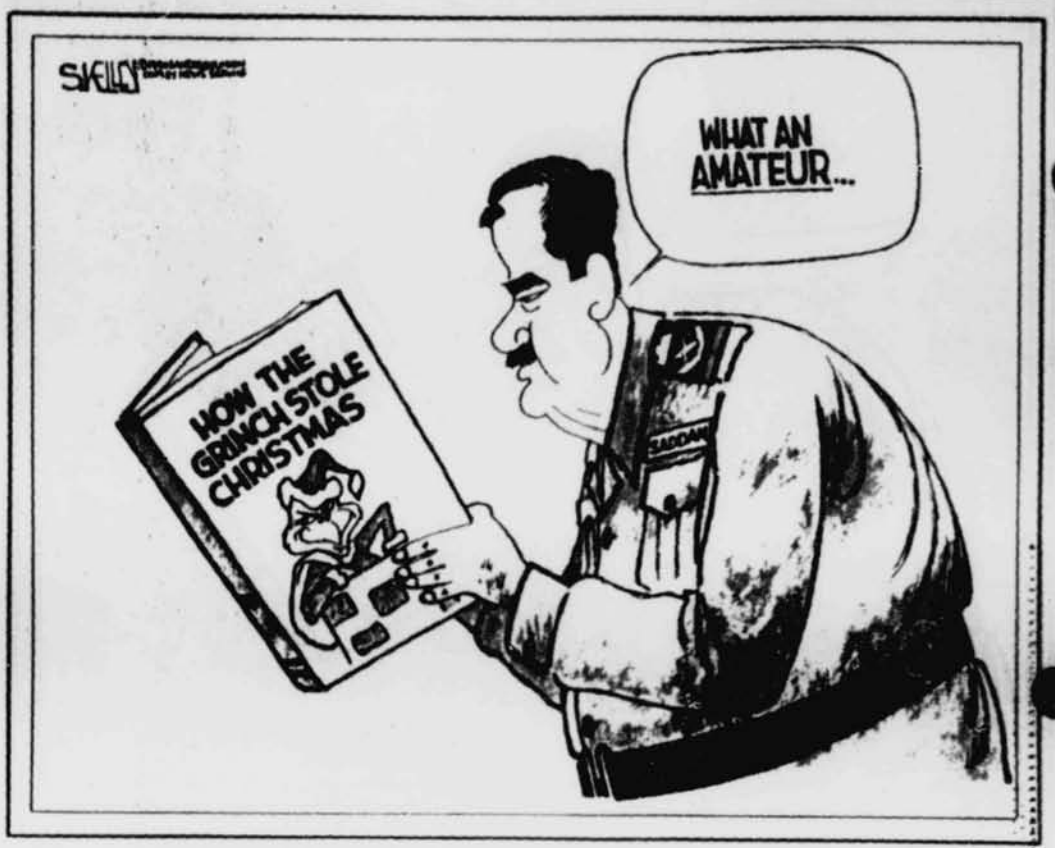
However, perhaps because of their simmering frustration, Brown students are using dubious means to justify a worthy end. Anonymous accusations are not an answer to any problem.

Rape is still a crime colored by myths and bigotry. Women are told they somehow provoked the attack by their manner of dress or some other external factor. "No means yes" is a common defense of rapists claiming the vicitim was consenting, despite her protests, screams, or struggles.

Brown students have created a forum for anyone with a malicious intention to defame the character of another. This violation of basic civil rights detracts from the original issue of rape. Instead the students are adding to the prejudices and misconceptions about rape by allowing disgruntled people to anynomously accuse anyone of this heinous crime.

Already one of those named on the wall has written a letter to the campus newspaper claiming his innocence and protesting the witch-hunt tactics of a graffiti wall. Administration officials say they have informed those whose names appear on the wall that they may file complaints. The entire focus of the wall will become the worthlessness of anonymous accusations, and rightfully so.

Students need to respond if their university is ignoring a problem as serious as rape. Protests, letters, and meetings with university officials are legitimate methods to make their cause known. Unfortunately, the graffiti wall creates yet another obstacle to educating the public about this often unreported crime.



Letters

Forum sought

Editor:

I hope, as do many others, to never see again in my political district or area the kind of political campaign we suffered through during this recent election process. Therefore, I want to suggest a remedy.

I'm convinced that the political parties, by the very nature of their focus on winning, are incapable of dealing effectively and able and ready to consider the evidence and the seriousness thereof.

With this kind of organization in place, the irresponsible and sometimes dishonest sniping that sometimes takes place would be greatly reduced.

Groups and individuals interested in investigating the possibilities of such a plan as outlined and any other related ideas, please write to Forum, P.O. Box 1298, OREM, Utah 84057, attention: Ken Howard.

Reviving the draft with justice for all



Mike Royko

TRIBUNE MEDIA SERVICES

That politically dreaded "D" word is finally being uttered in Washington. "D," as in draft. Draft, as in grab those young people, put them in uniform, teach them how to aim a rifle, and ship them out.

Military experts are now saying that if we're going to hurry up and fight Iraq, as President Bush wishes, we'll need more able bodies.

Simple arithmetic. We're putting a vast army in Saudi Arabia, so we're shorthanded elsewhere. If we have to replace those in the desert because they die, are wounded, or are rotated, someone has to take their place.

And since young men and women aren't should be the sons, daughters, grandchildren, etc., of those members of Congress who are Bush's cheerleaders. If they believe we should go charging into Iraq, but

A special task force should read every letters section of every newspaper published since the war crisis began. They should look for letters that say things like "Let's get in there and get this thing over with ...," or "Let's blast that Saddam back to ...," or "Let us support our commander-in-chief in this ..." The names of the letter writers should be noted and if they are not lame or infirmed, they and their entire families should be sent draft notices.

(7) While the task force is scanning the letters, it can check out the editorials and columns. Anybody who wrote anything

...must address the issue of rape. A disgusting crime, it should always be actively addressed in any community.

However, perhaps because of their simmering frustration, Brown students are using dubious means to justify a assault. Protests, letters, and meetings with university officials are legitimate means to make their cause known. Unfortunately, the graffiti wall creates yet another obstacle to educating the public about this often unreported crime.

Letters

Forum sought

Editor:

I hope, as do many others, to never see again in my political district or area the kind of political campaign we suffered through during this recent election process. Therefore, I want to suggest a remedy.

I'm convinced that the political parties, by the very nature of their focus on winning, are incapable of dealing effectively and fairly with questions concerning the ethics and integrity of their candidates.

Partisanshipo can be a tremendous force for good. However, in those partisan cases where higher spiritual values are blocked out by promotional enthusiasm for lesser values or objectives, there needs to be a way to correct the situation.

Let us create here in Utah Valley a non-governmental, non-partisan forum where serious charges against a candidate can be investigated and evaluated. The procedure and criteria would be established by this forum itself, so the first question is the composition of such a forum.

I propose that each service and civic organization, each major institution like colleges, hospitals, labor unions, teachers' organizations, school boards, businesses, high school student body officers, Red Cross, sheriff's posse, volunteer firemen, Chamber of Commerce, arts organization, hobby organizations, news media organizations, church councils, Bar Association, and yes, political parties, send one representative to this forum.

What! You say these people have biases! Yes, we all do. We all also have a desire for truth and fairness, at least under most conditions. The object is to create a forum where having a large cross section of citizenry would provide the needed checks and balances.

From this large group a chairman, executive secretary and perhaps other needed officers would be selected.

Probably a $10 yearly contribution by each supporting organization would be adequate to fund all the needed communication and record keeping. Public buildings are available for meetings. Everything else would be voluntary.

The Ethics and Integrity Forum, as it might be called, would, between now and the next election, have ample time to develop a fair and effective operational design.

Then come the next election in this valley, if and when questions relating to ethics and integrity arise, this organization would be able and ready to consider the evidence and the seriousness thereof.

With this kind of organization in place, the irresponsible and sometimes dishonest sniping that sometimes takes place would be greatly reduced.

Groups and individuals interested in investigating the possibilities of such a plan as outlined and any other related ideas, please write to Forum, P.O. Box 1298, OREM, Utah 84057, attention: Ken Howard.

Kenneth M. Howard
Orem

Expensive problem

Editor:

I think that this problem in the Middle East is sort of dumb, I mean Saddam should get out of Kuwait and back in Iraq where it belongs. He should have realized that leaders like George Bush and Mikhail Gorbachev aren't going to let him own all the oil, besides we are spending too much money. It costs $350,000 for the foot powder they bought and $219,000 for the suntan lotion, $76,400 for insect repellent, $8 million for loaves of bread and this is for the military units per day. $9.7 million for Navy, $5 million for the Marines, $4 million for the Army, $9 million for the Air Force, $4.2 for the military reserves and the National Guard and that all estimates to $31.9 million a day.

Now how is the world going to support all of that. I tell you it isn't and pretty soon we're all going to run out of money and it will be utterly and totally, out of control chaos, so I hope more Americans will help to pay for this stuff.

Andy Parker
American Fork

Letters policy

The Daily Herald welcomes letters to the editor. Address letters to Letters to the Editor, PO Box 717, Provo, UT 84603. Letters must be signed and include the writer's full name, address — and a daytime phone number for verification. Letters should be typed, double spaced, and less than 400 words in length.



Reviving the draft with jus



Mike Royko

TRIBUNE MEDIA SERVICES

That politically dreaded "D" word is finally being uttered in Washington. "D," as in draft. Draft, as in grab those young people, put them in uniform, teach them how to aim a rifle, and ship them out.

Military experts are now saying that if we're going to hurry up and fight Iraq, as President Bush wishes, we'll need more able bodies.

Simple arithmetic. We're putting a vast army in Saudi Arabia, so we're shorthanded elsewhere. If we have to replace those in the desert because they die, are wounded, or are rotated, someone has to take their place.

And since young men and women aren't rushing to enlistment offices these days, the only way to fill the manpower gap is to restore the draft, which ended in 1973.

If it must be, OK, it must be. But if we're going to have a draft, it should be done fairly.

The question is, what is fair? We all have our own ideas about fairness, so here's mine, in the order that draftees should be called.

(1) The first group should be the draft-age sons, daughters, nieces, nephews and grandchildren of all members of the Bush administration. And not for any typewriter or filing duty. No, they should be given a crash course in fighting against naked aggression and shipped directly to the front.

That's fair, I believe, because this rush to war is Bush's idea. He didn't ask the American people, he didn't ask Congress, and maybe he didn't even ask the guy sharing his golf cart. And at this point he still hasn't asked.

Yes, he asked the U.N., but I'm not sure how many Americans want their kids to get their marching orders from our old pals, the Soviet Union and China.

(2) The next draft-age group to be called should be the sons, daughters, grandchildren, etc., of those members of Congress who are Bush's cheerleaders. If they believe we should go charging into Iraq, let their kin lead the charge.

(3) The sons, daughters, etc., of the top executives of any American corporations that sold Iraq any of the military gadgetry and hardware that has helped make it possible for Saddam to become a pain in the international behind. You helped give him more bang for his buck. Now go hear the bang.

(4) The offspring of the chief executive officers of the Fortune 500 companies. I have nothing personal against them, but I'm sure that if they have any thoughts about the advisability of a war, they can get Bush's attention a little easier than the guy who changes the oil in my car.

(5) The young members of the 100,000 wealthiest families in America. Once again, it's nothing personal. But my guess is that a hell of a lot more of these families voted for Bush than, say, the 100,000 poorest families in America. So if he's their guy, they should show their enthusiasm and support for their commander in chief by shoving junior into the arms of the drill sergeant.

(6) This might be difficult, but in the modern age of technology, not impossible.

Water embargo is volatile we



Jack Anderson
& Dale Van Atta

UNITED FEATURE SYNDICATE

WASHINGTON — The embargo against Iraq may be pinching the man on the street, but it has done nothing to alter the resolve of Saddam Hussein. That has some desperate strategists proposing a more convincing embargo — cutting off freshwater supplies to Iraq.

It would be foolish but not impossible. Iraq reportedly relies on the Tigris and Euphrates rivers for 86 percent of its agricultural and industrial water and 85 percent of its drinking water. Both rivers have their headwaters in Turkey — a faithful ally of the United States.

Through seven new dams and irrigation projects on the Euphrates among them the new Ataturk Dam — and six more on the Tigris, Turkey is in a position to dry up much of Iraq. Without water, time would be working against Iraq and before long Saddam would have to come to the negotiating table.

The option is possible, but highly volatile. Perhaps nowhere else in the world is water a more scarce, and potentially more explosive, resource. Some experts argue that by 2000 water will overshadow oil in importance in the Middle East. With that scarcity comes politics. More than one regional leader has in recent years predicted that the next Middle East war will be fought over water.

The Euphrates flows through Syria before it reaches Iraq and has been the source of squabbles. In 1975, when Syria cut the flow of water from a new dam on the Euphrates, the dispute over water rights brought Syria and Iraq to the brink of war. Turkey and Syria have also been at odds about the Euphrates in recent years. Charges and countercharges are common between Turkey and Syria, with each accusing the other of plotting to manipulate the water. One such squabble last year culminated with Syrian MIG fighter planes shooting down a Turkish survey plane.

Joyce Starr, a Middle East specialist who presides over the Global Water Summit Initiative in Washington, says cutting off water to Iraq would be "idiotic." Starr told our associate Dean Boyd that even in the worst crises in the Middle East, no one has ever used water as a weapon. "Doing so now would set a very serious and dangerous precedent for the future," she said.

For that reason, Starr said, it would be hard to talk Turkey into shutting off the rivers. Not only would Turkey be the villain in the eyes of Saddam, but Syria would not take kindly to losing the Euphrates.

Turkish President Turgut Ozal has been the region's leading voice in resolving water disputes. Next November he will host World Bank, United Nations and regional government officials in the second International Global Water Summit in Istanbul. No matter how loyal he is to the United States, Ozal is unlikely to go down in history as the leader who turned water into a weapon. A spokesman at the Turkish Embassy told us, "We never considered using water as a form of leverage, nor will we in the future."

Robert G. Neumann of the Center for Strategic and International Studies says the idea goes completely overboard. "It would be inhumane ... crazy," he told us.

Congressional sources argue, hypothetically, that any water shortage would not hurt Iraq until next summer during the driest months of the year. That is beyond

N000183

9704383079 1

The Daily Herald

Also in this section:
- Gardening C3
- Opinions C4
- Travel C6-C7

Accent

Sunday
Oct. 28, 1990
C1

N000184

On the CUP bill

The CUP bill formed in a fragile coalition

By JUDY FAHYS
Herald Washington Bureau

WASHINGTON — Anyone who looked up to the viewing gallery from the House floor last week on the night lawmakers passed the Central Utah Project bill could glimpse into the ironic compromise pieced together this year.

Don Christiansen, general manager of the Central Utah Water Conservancy District, sat there alongside the district's two Washington lobbyists. With them was Utah Sen. Jake Garn's chief natural resources advisor. They chatted cheerfully with two lobbyists from the National Wildlife Federation as House lawmakers trudged to the floor around midnight to pass the bill.

This diverse group — embracing Washington lawmakers, municipal water users, irrigators and environmentalists often at odds with one another — had forged a measure that pitted the CUP features each sought against other provisions they were willing to stomach. The Utah Lake wetlands preserve and the $150 million irrigation system are examples.

Oddly enough, as the congressional session stumbles toward November, the delicately crafted CUP bill appears to have become a victim in the Senate of the same kind of high-tension compromise that led to its 211-143 passage in the House last week.

A compromise on the omnibus water bill has been difficult because the House version, topped with the CUP provisions, contains 17 unrelated sections — some innocuous and others hotly contested. Those pieces are expected to be folded together with a similar number of water bills in the Senate.

Congressional aides in both the House and Senate have recent weeks Miller became a vocal supporter.

In fact, he led the Oct. 15 House debate on CUP with praise for the compromise, saying "The result is balanced legislation that imposes contemporary fiscal and environmental standards to the last of the large western water projects."

Miller also pointed out that night the final CUP bill includes his controversial legislation to clean up loopholes that allow large irrigators to enjoy what the California Democrat sees as huge subsidies. He told House colleagues his committee tacked the reforms onto CUP "in the hope of encouraging prompt enactment by the other body."

But the Senate rid the bill of those reforms, thus endangering the entire package that needs House approval for changes.

Idaho Sen. James McClure, ranking Republican on the energy and natural resources committee, has objected loudly to the reforms. He is the gatekeeper for CUP in the Senate.

McClure complained bitterly in September when the committee wrapped the reforms into the same package as a bill that would settle a longstanding water dispute involving the tribes of the Fort Hall Indian Reservation in Idaho — a bill McClure hoped to pass before he retires from the Senate at the end of the year.

In short, by wrapping the reforms McClure despised with a settlement he worked hard to achieve, the Idaho senator would be pressured into accepting a compromise. Otherwise, his attempts at blocking Senate action would put his at risk of enraging fellow weary colleagues.

Eric Eberhard, an aide to Sen. John McCain, R-Ariz., explained that this kind of legislative manuevering is common at

On the elections

Theories for hating government

WASHINGTON (AP) — Stephen W. Schneider, in a letter-to-the-editor to the Dallas Morning News, suggests that officeholders running for re-election should have "Inc" placed after their names on the ballot.

"Inc" would stand for "incumbent," but if voters took it to mean "incompetent," well, that's "an understandable conclusion," writes Schneider sardonically.

Rep. Bill Richardson, D-N.M., was home for the weekend taking part in a parade at a Navaho Reservation when someone — he figures it was a federal employee unhappy about the government's budget impasse — called out, "You're playing with our lives."

For the first time, Richardson said, he heard the most dispiriting sound a politician can hear. He was booed.

"It's not comforting to be an elected official these days," said Rep. Jim Leach, R-Iowa.

Americans seem to be growing more and more hostile toward government — viewing it more as their enemy than their servant.

The evidence is everywhere.

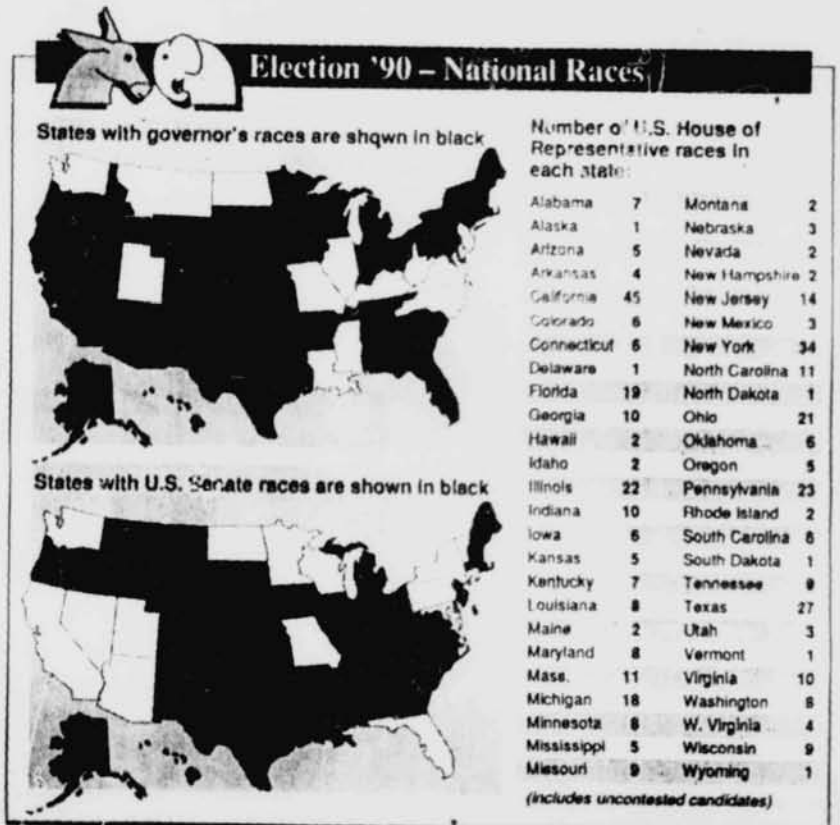
Oklahomans, getting even, voted to bounce legislators out of office — good, bad or indifferent — after they've served 12 years. Similar term-limitation propositions are expected to get heavy votes in California and Colorado on election day.

On Oct. 6, the day President Bush shut down the government in a budget impasse with Congress, former Ku Klux Klansman David Duke got 44 percent of the vote in Louisiana against three-term Democratic Sen. J. Bennett Johnston.

Duke got nearly 60 percent of the white vote, even though the establishment of both political parties was against him. His showing has been interpreted as a disgust-with-Washington vote.

Congressional votes to raise Congress' pay last spring produced an outburst of outrage.

One poll found that 57 percent



paper reader Stephen Schneider's disgust with officeholders, most incumbents get re-elected. In 1988, 404 of 408 incumbents were returned to the House by the voters.

Pat Buchanan, political scientist at the University of Texas, said voter turnout is a better thermometer of the public mood.

he would produce "a government as good as the people." Ronald Reagan would "get the government off your back."

Politicians, said Buchanan, have a responsibility to encourage belief in the system. Running against government, he said, "is like eating the seed corn."

Buchanan breaks the disenpaigns that consist of content-less advertising and preening. "They listen to gubernatorial candidates in Texas and California, and decide that what they are talking about has nothing to do with what the one who wins will have to do."

— The Indifferent Young. "They're 18 to 24, and all of this

9 7 0 4 3 8 3 0 7 9 2

As a proven legislator and an effective advocate for Utah,

Karl Snow



enjoys the *full faith and endorsement of the Republican Party at all levels.* His integrity in business and politics has been *vindicated time after time* in separate, independent investigations. Karl Snow understands the issues facing Utah as well as the standards Utahns hold for their elected representatives. Please join us in supporting Karl Snow for U.S. Congress on Tuesday, November 6.

THE REPUBLICAN PARTY
OF UTAH COUNTY

Ad paid by the Republican Party of Utah County

N000185

/ disappointed to see Mr. Nickles
sychiatry without a license. He
to examine his own beliefs for
take a closer look at the basic
behind his claims: no changes
de in the tax laws by the Utah
If that assumption is false, then
nts about the amount of revenues
ose are wrong.
Legislature refuse to change the
the initiative passes? No! The
lity is that our elected represent-
d make adjustments in how sales
eturned to the cities and towns.
t accept the Independent Party's
and increase that portion by 1/16
ey might also change the formu-
hasizes point of sale over popula-
rmining each town's share. Such
uld hold our cities and towns
keep them from losing revenues)
o help guarantee their reelection.
n will fail to act if it will result
his office.
les, heal thyself!

Kim Anderson
Provo

on the couch

o not patronize us Mr. Nickels.
now how to think, count, pay
spot the fallacy of your argu-

hreaten us with the services we
increase revenues in such a
people can recognize the burden
d to the question of whether the
assumed by government are ap-
I assure you that if they are, and
want them, they will be funded.
hat an irresponsible public servant
wer to squirm a slimy knife into
politic before they realize it is

xes, please do. The point is where
the money? Obtaining it from the
o is sick, old, or unable to afford
more nourishing than Alpo is crim-
onest and raise taxes, and while
t, drop some sweet tax exceptions
the fiscal burden.

9 7 0 4 9 0 2

Community is poorer

Editor:

A few days ago I stopped by to see my friend. A glance in the mirror had warned me that it was about time, and since I had heard that he was not feeling well I was eager to see how my friend was. He was not there and I was told he had retired. Joe the Barber had put away his scissors, clippers and comb. It seemed impossible.

For 35 years he had cut hair and for some of his customers even longer than that. He had kept us looking our best while we celebrated our times of great joy or wrenching sadness. His contribution to the life and welfare of the community had been considerable. Service is no less valuable just because there is an occupation involved. Joseph Stumph was a craftsman well worth his charge.

Since Joe was self employed there was no farewell banquet, no gold watch, no emotional handshake to mark his leaving. He simply came to the shop, gathered his tools and went home.

Hosts of us will miss you Joe. Not only your no nonsense haircuts, but we will also miss your interesting talk, gentle humor, and quiet friendship. We will also note that a little of the character and fabric of the community has faded with your retirement.

Ray B. Jones
Provo

Tired old lie

Editor:

Oh, come on Clark Caras — aren't you a bit embarrassed to trot out that tired old Republican lie again, "Democrats support abortion on demand" (Daily Herald Oct. 24, "Republicans back Orton")

We all know that is not true. We also know that it is the only defense some desperate Republicans can come up with when they are threatened. Why not stick to facts for a refreshing change?

LaVon Laursen
American Fork

army officers executed since the Iraqi invasion of Kuwait Aug. 2, according to Central Intelligence Agency reports. Their crime was that they opposed the invasion.

Such executions are routine for Saddam who, over the years of his brutal reign, has tolerated no dissent and surrounded himself with sycophants who are now too afraid to tell him that his invasion was a bad idea.

Top-secret CIA reports were full of horrendous stories about Saddam long before the invasion. As we recently reported, the stories have taken on an element of fantasy as U.S. intelligence agents scramble to get tidbits of information, credible or incredible, on Saddam.

The fact is, there is no need to make up stories that vilify Saddam. The truth is no less brutal than the fiction.

In the first coup that brought Saddam's Baathist political party to power in 1968, Abdel-Razzaq Nayef was designated prime minister. He lasted 13 days. At that point Saddam, then his vice president, pulled a gun on his friend Nayef, escorted him to a plane and shipped him to Morocco.

That was Saddam at his most diplomatic. In 1979, when Saddam was the new president of Iraq, he decided to weed out some dead wood. He made up a story about a Syrian plot to kill him and wrung a confession out of one official. Then he assembled Iraq's top leaders and played a film of the confession. With tears running down his cheeks, Saddam confided to the crowd that there were others involved in the plot.



Jack Anderson
& Dale Van Atta

UNITED FEATURE SYNDICATE

Then, as the assembled stooges sweated, Saddam, between puffs on his cigar, read out the names of alleged conspirators in the bogus plot. They were seized, dragged from the meeting and executed along with some of their family members. Saddam himself headed up the firing squad and orderd his Cabinet ministers to join in the shooting.

More purges followed during Saddam's long war with Iran. As we reported earlier, one of the most astonishing was his on-the-spot execution of a Cabinet minister in the summer of 1982. Health Minister Riyadh Ibrahim, suggested during a Cabinet meeting that Saddam might step down temporarily as president because Iran's Ayatollah Khomeini hated him so much that he might never negotiate a peace between Iran and Iraq.

Showing no emotion, Saddam asked Ibrahim to step outside and discuss the suggestion privately. The Cabinet ministers heard a shot. Later, Ibrahim's wife, knowing only that her husband had disappeared, begged Saddam to return him. Saddam did — chopped in pieces. Then he put out the story that Ibrahim had been executed for

Where to write lawmakers

Following are Utah's elected officials in Washington, D.C.

In the House of Representatives, Rep. Howard Nielson represents individuals in the Utah County area and other areas of Central Utah. Nielson's Washington address is 1122 Longsworth Building, Washington D.C., 20515. The Washington phone number is (202) 225-7751. In Utah County the number is 377-1776. The toll-free number within the state but outside Utah County is 1-800-245-1426.

Also in the House of Representatives, Rep. Jim Hansen represents individuals in Juab and other counties in north and southern Utah.

Hansen's Washington, D.C., Address is 1113 Longworth House Office Building, Washington, D.C. 20515. His phone number is (202) 225-0453.

Both Senators Jake Garn and Orrin Hatch represent individuals throughout the state.

Sen. Garn's Washington address is 5207 Dirksen Senate Office Building, Washington, D.C. 20510; his Washington phone number is, (202) 224-5444.

Sen. Hatch's Washington address is 125 Russell Senate Office Building, Washington, D.C. 20510; his Washington phone number is (202) 224-5251.

300 high-ran
"crimes" —
to win the w
Iraq was lo
were incom
not a gifte
turned to I
finally turne
in the field,
of execution
that Saddam

After a tru
1988, severa
terious helic
dark joke ir
more helico

Last year,
Defense Min
one of thos
with Saddam
dam's wi
President
and begged
dignity, "I
crashes."

DEFICIT
lysts say th
itself into
Americans
of money t
ahead. That
to loan, and
jump-start.
unless Cong
the federal
track will
enough faitl
in it. Germa
powers will

MINI-EDI
looked
ing re
to be "
their oppor
scare up e
paign strong
bent. Incum
money as
matter whe
the issues,
because the
tion fostere
advertising.
vote to lea
name.

981000N

9 7 0 4 3 8 3 0 7 9 4

Inside Today:

Warning system for dam failure sought by safety officials

Page A4

Nation

'Last' Civil War widow still lives

Page A3

Stocks

Stock market continues rise

Page A6

Sports

Reds dominate Oakland, 8-3

Page B1

The Daily Herald

Saturday, October 20, 1990 — Central Utah's Newspeper for 116 Years — Issue No. 81, Provo, Utah — 50 Cents

00187

Soviets adopt radical reform plan

MOSCOW (AP) — In the Soviet Union's most radical departure from Communist economics in 70 years, the legislature voted Friday to transform the economy into the market-oriented system advocated by Mikhail S. Gorbachev.

But a rift with the Russian Federation, the country's largest republic, threatened to disrupt the effort.

The Supreme Soviet voted 333-12, with nine abstentions, in favor of Gorbachev's plan to free most prices of government control, end most government monopolies and encourage free enterprise in this nation of 285 million residents.

Lawmakers had given the bill preliminary approval earlier before debating amendments.

It is an ambitious outline for ending chronic shortages of food and housing, integrating the Soviet Union in the world market and encouraging people to work harder and enjoy the benefits.

The plan partially reverses decades of tight central control of the nation's economy, unleashing market forces to determine prices, what products to make, how to make them and where.

Hours after the plan was approved, the government's statistics agency released dismal figures for the economy's first nine months of 1990. Gross national product was down 1.5 percent and inflation was 9 percent, Tass reported.

The plan hopes to reverse those central control because of decades of unfair treatment under Kremlin economic policies — may not cooperate as much as necessary.

The blueprint came under fire

"Comrade Yeltsin's assertions are strange, to say the least," Gorbachev told the 542-member legislature.

"I'm under the impression that the Russian leadership is afraid

conditions and inflation. But he accused the government of the Russian republic of contributing to inflation with its recent decision to raise wholesale meat prices.



AP Laserphoto

Mikhail Shkabordnia, personal chief of the Supreme Soviet, holds his head as he listens to President Mikhail Gorbachev tell the group of his economic plans.

Democrats push Bush on taxes

Final drive on to finish budget

WASHINGTON (AP) — Democrats pushed President Bush to accept higher taxes on the richest Americans Friday as Congress began a final drive to craft a compromise deficit-reduction bill.

Republicans warned that pressing Bush too hard would merely invite a veto.

Bush, meanwhile, signed a stopgap spending bill to keep the government functioning through next Wednesday to give Congress more time to work on a final budget compromise.

He signed the legislation shortly before leaving the White House for a weekend at the presidential retreat in Camp David, Md.

GOP lawmakers mustered around a bipartisan budget the Senate adopted early Friday imposing only modest tax increases on the wealthy and doubling the gasoline levy. Democrats preferred a House-passed version leaning heavily on the rich, leaving the gasoline tax alone and easing cost increases on Medicare recipients.

"We believe in tax fairness and progressivity, and that's what we're going to fight for," said House Majority Leader Richard Gephardt, D-Mo.

"You can bet your life if a package is going to pass in this House it's going to include the rich," said Rep. Charles Rangel, D-N.Y., of the tax-writing Ways and Means Committee.

But as House and Senate budget-writers began bargaining over a $250 billion, five-year package of taxes and spending cuts, Republicans warned that Democrats could not go too far without risking a veto by Bush.

"I don't know why we have to go through a process of producing a

(See BUDGET, Page A2)

Operational aspect of Desert Shield ignored

DHAHRAN, Saudi Arabia (AP) — While troops conduct maneuvers in the desert and pilots fly training missions, naval interceptions to en-

Later the same month, the Council voted to back the sanctions with military might.

Navies from about a dozen na-

ain political rival, n. president of the ation. On Friday, ached a counterat-

responsibility ... onto cen[illegible] organs of power," he said.

Gorbachev said he shared many of Yeltsin's concerns about deteriorating political and economic

ev's plan as a "catastrophe" that is "doomed to fail" within months. He has said his own republic, the largest and richest,

(See SOVIET, Page A2)



AP Laserphoto

change signal orders on the trading floor Friday.

$3.01 a barrel

eeing a taming of the oil market. The ; proving it can take care of itself — ot a little ahead of themselves, and amentals don't warrant it.'

Peter Beutel

fuel for the week was off a steep 30 year-ago levels. Beuing oil demand has d by a very warm consumers worried ning recession seem less, which also has emand for gasoline.

at members of the f Petroleum Export- are pumping between 23 million barrels of o served to depress uction at that level ates for the shortfall e loss of Iraqi and Kuwaiti crude due to the Aug. 2 invasion.

Oil futures prices plummeted on the opening bell in reaction to comments by an Iraqi official, who hinted that an end the Persian Gulf crisis might be on the horizon.

Upon his arrival Thursday for a visit in the Jordanian capital of Amman, Iraqi Deputy Premier Taha Yassin Ramadan expressed hope that negotiations could be in the offing to end the crisis that began with Iraq's invasion of Kuwait on Aug. 2.

He said the crisis had entered a "phase of reassessment and reconsideration of positions."

Accountant upset with Bill Orton's allegations

By ROBB HICKEN
Herald Staff Writer

Allegations made by Democratic 3rd Congressional District candidate William Orton are being challenged by an accountant who prepared a report on Orton's opponent.

Orton claimed Curtis S. Bramble and attorney Byron Smith were Republican candidate Karl Snow's personal accountant and attorney.

Friday night, Bramble charged that Orton's statements are "unfounded and inaccurate."

"My firm had been hired for a personal matter, but by no standards can we be considered Mr. Snow's personal accountant. We were engaged Sept. 25 to look into certain stock transactions and potential tax ramifications. We discharged those duties pursuant to a professional manner."

Bramble issued a 12-page report, after two weeks of investigation, which cleared Snow of any wrongdoing in connection with stock transactions involving convicted stock promoter Michael Strand. The report concluded Snow had no tax problems, but questioned Snow's business conduct.

"We stand by our report without waivering, and would invite Mr. Orton to come in and review the report," Bramble said.

Bramble said his report is consistent with an earlier investigation offered in the campaign by the four independent attorneys.

"Additional allegations brought forward by The Daily Herald forced Mr. Snow to seek yet another investigation of the same manner," Bramble said.

No additional evidence or documents have been produced recently which would cause further investigation into this matter, he said.

"I think Mr. Orton should stick to the issues of the campaign. It's unfortunate that he should make accusations against a certified public accounting firm to further his own political career," Bramble said.

of [illegible]rt Shield.

military officials said Friday there have been about 2,500 interceptions and 240 boardings the past two months.

U.S. warships had a role in 191 of the boardings, the officials said. The British, Australian and Spanish navies have participated jointly in some.

In 11 cases, commercial ships were diverted to ports other than their destination after being suspected of carrying cargo bound to or from Iraq, the officials said in a report.

The embargo was imposed on Iraq following its Aug. 2 takeover of Kuwait. Navies from about a dozen nations are taking part in the gulf efforts.

The U.N. Security Council imposed a trade embargo on Iraq following its takeover of Kuwait.

On a handful of visits in the Persian Gulf reg ers have heard radio changes between naval commercial vessels and demonstrations of how ing teams operate.

But none of the journa ing Operation Desert S been present in instanc warships fired warnin force merchant ships t have they seen any b inspection teams.

After questioning s their cargo and desti warships may send boa to determine whether t bound to or from Iraq of the U.N. restrictions.

Ships whose cargo or are suspect are then ports other than the destination.

Heber Creeper owner s legislators derailed dea

By SONNI SCHWINN
Herald Correspondent

HEBER CITY — The owners of the Heber Creeper Railroad charge that the legislators who represent Wasatch County are responsible for the state's "unacceptable" offer to buy the historic steam railroad for $1.1 million.

Lowe Ashton, president of New London Railroad and Village Inc., which owns the train, said interference in the negotiations by state Reps. Glen Brown, Alerik Myrin and Beverly Evans resulted in an offer that no business owner would accept. It also does not comply with the directions nor the intent of the $1.6 million appropriations bill passed last February t Creeper land, rolling equipment.

In particular, Ash Brown and charges t was meant to be un order to force him in so the state can ta railroad operation wi to buy it.

The bill appropriat for the railroad round and artifacts, and at for improvements and and specifically assig negotiate the contract.

Before the bill wa Lowe wrote a letter t

(See HEBER, Pa

Index

Find it

Arts/Entertainment	A5
Classified Ads	B6-C6
Comics	B4
Crossword	C2
Horoscope	A5
Legal Notices	B6
Movies	A5
National	A3
Obituaries	A4
Sports	B1-B3
State	A3
Stocks	A6
World	A3

Weathe

Today partly cloud tinued cool with a snow showers. Hig Northerly winds 10-20 See

Air Quali

Air quality was go down the Wasatch F little change in pollu expected.

d "Want Ads" get results. Place your ad by calling 373-6450

N000188

9 7 0 4 3 8 3 0 7 9 6

The Daily Herald

ction:
3

B8

Local

Friday
Oct. 19, 1990

B1

ttee review of BYU standards gaining attention

J's honor and dress
ıp with changing styles

n or-
'oung
Dress
ready

Lee
com-
honor
ming
h the
s that

ı was
from
g the
tating
dress

elease
feel
le and
dards
spiri-
devel-
munii-

ndard
inally
hange,

issues
ıd be-
eed to
y can
presi-

Student Life Vice President R. J. Snow was appointed as committee chairman. The committee is expected to have a recommendations for the President's Council by the end of November. Ultimately, The Board of Trustees will review and approve any changes.

The committee will examine the code and standards to consider their substance, their effect on campus life and the way they are administered, Snow said.

"We will talk about the relevance of specific items in the honor code and dress and grooming standards," Snow explained. "This will be a review, not a redo of the code and standards.

"The code and standards are important in defining conduct for our community," Snow said. "They establish the basis for living with each other. We want to enhance the desire of our community to maintain the standards and not perceive them as punitive."

John Day, executive director, BYU Student Association Ombudsman and Honor Code representative, said he represents the students and their views on the committee.

"We are trying basically to find out whether or not if anything could or should be changed," he said.



"You can review (the standards), but I don't think they need to be changed."

— Janis Garner, Clifton, Idaho



"I think the issue about guys wearing socks should be looked at, but I don't think it's that critical of an issue."

— Carol Nixon, Mapleton



"My attitude is it's a private school and they have the right to dictate the standards ... I chose to come here to school."

— Spence Weiler, Palo Alto



"I don't have a problem with (a review). I think guys in pony tails, as long as you keep it neat and clean, and longer hair would be OK."

— Eric Rutar, Albuquerque

Through the student advisory council, Day hopes to find out as much as possible from the students about what they expect to a dress and standards code to reflect.

BYUSA President Brett Blake said, "It's about time. It's for the students, faculty and staff. It's a general consensus that it has to be done."

Blake added that there is considerable concern about the enforcement of standards.

"I think the students want a clarification if anything," Blake said, "and there is only a small percentage that would like to see a change."

The committee is soliciting comments from the campus community. Signed suggestions should be sent to Snow's office at A-333 ASB or given to any member of the committee.

Janis Garner, a student from Clifton, Idaho, said, "You can review them but I don't think they need to be changed."

Another student, Carol Nixon, of Mapleton, didn't see the need to actually change anything, but there are some points that need to be reviewed.

"I think the issue about guys wearing socks shoiuld be looked at, but I don't think it's that critical of an issue," Nixon said.

On the other side, Spence Weiler, of Palo Alto, Calif., said, "My attitude is it's a private school and they have the right to dictate the standards. I think some of them are a little ridiculous, but I have to live with it because I chose to come here to school."

calls for forum on

Conservancy district OKs issues

By JOSEPHINE ZIMMERMAN
Herald Staff Writer

have salt content that erodes the water lines, he said.

emphasized that the water district will also help increase the volume

dent explained.

could or should be changed, he

Blake added that there is consi-

or given to any member of the

Orton calls for forum on Snow's stock dealings

By the Associated Press

Third District congressional candidate Bill Orton is calling on his opponent, Karl Snow, to clear the air about Snow's involvement with Michael Strand and a penny stock scheme.

Orton has written a letter to Snow saying the issue crops up every time they debate.

"Clearly, many people are not convinced that they have received all of the information," said the Democratic Orton. "Until the questions are thoroughly aired and all the issues dealt with, they will continue to consume valuable time in this campaign."

Orton wants Snow to hold a public forum in which "the press, public, investors and anyone else with an interest" can review the issue.

"Once this is done and reported, the voters can decide where the truth lies," Orton said.

Orton and Snow are battling for the 3rd Congressional District seat being vacated by retiring four-term Republican Rep. Howard Nielsen. Nielsen has endorsed Snow.

At issue is Snow's involvement with Strand, a convicted stock swindler and his dealings with the failed merger of a Strand-promoted company, Global Oil, and another company, Unique Battery.

Snow's name appears on 100,000 shares of Global stock and he was named to the company's board of directors during a time the former state senator was lobbying Justice Department officials to reconsider Strand's 1978 tax evasion conviction.

Snow said he was unaware of the gift stock and denies any wrongdoing. Strand has since said he used Snow's name and political position without the candidate's knowledge to increase interest in the stock.

Orton said he is upset that, during a debate on KUTV's "Take Two" last Sunday, one-third of the program was spent talking about the stock.

He said he has commented on the matter "only in direct response to questions posed me about the report issued by Snow's CPA and attorney."

That report, released more than a week ago by Provo CPA Curtis S. Bramble, may have cleared Snow of wrongdoing but left some questions unanswered, Orton said.

Orton also questions the independence of Bramble's report, since he was Snow's personal accountant and was a Snow delegate during the state Republican Convention.

Snow campaign spokesman Clark Caras dismisses Orton's request as a "last ditch ploy ... to pull voters away from issues of a balanced budget, the Persian Gulf situation and pertinent issues."

Conserva

By JOSEPHINE ZIMMERMAN
Herald Staff Writer

The Central Utah Water Conservancy District conducted a public hearing Thursday afternoon on three items, then voted to approve them. The items were as follows:

- Reopening the 1990 budget to transfer $450,000 from the Restricted Reserve Fund to the Capital reserve Fund for the Duchesne County Upper Country Water Improvement District. Funds may not be expended without further approval of the board.
- Reopening of the 1990 budget for repairs on the Trial Lake Dam in the amount of $1,700,000. These funds will be reimbursed by the U.S. Bureau of Reclamation.
- Disposal of a loan on the Duchesne Aqueduct. This will be acted upon by the board if the Duchesne County Upper Country Water Improvement District comes together.

Mayor Rogene Addley of Duchesne, Ted Kappen and John Swasey, all representing the water improvement district, were on hand for the public hearing.

Kappen told the board that the Bluebell area is particularly in need of the water project. Many wells have gone dry, and others have acid in the water which went into the underground system when an oil well was acidized. Others

UDOT rep: Canyon road expansion is county's largest traffic-related problem

By CHRISTI C. EVANS
Herald Staff Writer

The expansion of the Provo Canyon Road is the biggest traffic-related problem in Utah County, mainly due to the project's cost, said a Utah Department of Transportation representative Thursday.

Dan Nelson, director of UDOT District 6, addressed the Provo Canyon Road and other county traffic problems during the second annual Provo/Orem Chamber of Commerce Community Leadership Conference.

Only $17 million is allocated annually in the state for primary highways. This money must be spread throughout the state, with the Provo Canyon Highway competing against other projects for its share.

"We're fighting limited dollars," Nelson said. UDOT can design anything and build almost anything, but it is impossible without the funding, he said.

"We feel that we can complete Provo Canyon in 10 years if the funding level stays where it is," Nelson said.

The biggest lesson learned through the controversy over building a four-lane highway in Provo Canyon was of being sensitive to the environment, Nelson said.

"The best thing to come out of the lessons of Provo Canyon is we have to be sensitive to our own environment," Nelson said. "I hope the people realize we are not fighting against the environment."

No groups are currently opposing the highway expansion, although it only takes one individual to raise an issue and obtain an injunction against construction to delay the project, he said.

When asked if it was possible to ban semi-trucks from the canyon, Nelson said trucks can be banned from a state highway if it is determined a reasonable alternative exists for them.

The state Bureau of Air Quality must also show removing the trucks would cause a significant impact on air quality for a ban to be put in place.

A ban may not be implemented without the approval of the U.S. Department of Transportation, Nelson said.

The second and third greatest traffic problems in the county are the intersection of 2230 North University Parkway in Provo and Orem State Street, which needs to be refinished, he said.



Pl. Grove speaks out on food tax issue

By JOHN BEST
Herald Correspondent

Pleasant Grove residents voiced mixed opinions in a public hearing Tuesday night, concerning the initiative on the November ballot to remove sales tax from food.

Mayor David Holdaway explained to residents that Pleasant Grove would lose $95,594 in sales tax revenue if the initiative passes $2.5 million budget. Total tax revenues for Pleasant Grove are predicted to be $1,531,000. Public Safety and Streets and Roads departments require a budget of $471,692. The remaining departments including library, parks, cemetery, and recreation require a budget of $471,250.

Each department was discussed by the council with the public and 1000 residents, which is a very low ratio. The cost for city government per capita in Pleasant Grove is $160. Holdaway said that's one of the lowest ratios in the county. "Some cities are as high as $500 per capita," he said.

Co

Geneva Steel employees recei check of $3,000 Thursday a passed out profit-sharing che its approximately 2,700 emplo pany distributed nearly $9 mi to spokeswoman Mary Kay La profits that were distributed a

October rainfall totals in Utah

N000189

9 7 0 4 3 8 3 0 7 9 8

The Daily Herald

'e that God did not exist than
ıdifferent."
ge Sand, French author (1804-1876)

Opinions

Sunday
Oct. 21, 1990
D4

N000190

s and battles

concern to
s, than the
t's why the
ek are wel-

"Red Rib-
turday with
aimed at
ging young
mess with

rican agent
xican drug
ecame the
against the
ıg dealers,
symbolizes

lved in the
participants
ımended for
ıt that such
areness and
ıe perils of
r such per-

s and learn-
ll not reach
he factors
ouse — bro-
, failure to
will not go

Herald comment

away overnight. The task is huge and the problem needs to remain in the forefront of our efforts 52 weeks a year.

Sadly, there are too many among us who choose to pretend there is no problem. There are too many who say, "It cannot happen here. Not in our town. Not my children."

Denial of a problem does not make it go away — never has, never will.

We know the answers for dealing with individual kids. They include lots of love, lots of communication, lots of positive input and lots of worthwhile activities. However, even when all these "winning" factors are present in a home, a school, or a community, sometimes we don't win. That's even more reason to redouble our efforts.

Let's fight the battle this week by displaying red ribbons, then let's continue to wage the war next week, and the next, and the next, until the war is won. It is a war we can't afford to lose. Our children are far more precious than Persian Gulf oil.



Letters

ıgress

ıington seems
t of garnering
on than from

Utahns aren't stupid

Editor:

Hey, Utahns! We've been grossly insulted by no less than the Lieutenant Governor himself and Representative Karras of Roy

Does ingratitude top the list of sins?

Over the past several decades I have [redacted] was tacky for the girls not even to thank

Students carry burden

Editor:

My heart goes out to students throughout this state. They wander a surrealistic landscape, fraught with economic and emotional land mines. In their journey, denizens appear to classify, berate, criticize, cajole, test, council, influence and mold. When the golden paper prize is won, the student might not be able to read his own diploma.

Students are weak because for 13 years they have carried teachers, councilors, car dealers, farmers, dairymen, principles, mechanics, gardeners, professors, authors, educational product developers, lawyers, builders, purveyors of sports equipment, cooks, coaches, real estate developers, financial managers, and parents. Quite a load for so slight a form!

Parents are content to abrogate to the schools. After all, academics are "expert" and should parents take an active part teaching their children, they could be blamed for a poor educational evaluation. Teachers devoutly pray for parents that accept responsibility, and continue traditional home teaching tasks, reinforcing the school experience within their homes. Those who base their livelihood on servicing schools would rather we accept the educational system as it stands. Educational unions are within this category.

The modern highwayman takes children as ransom, extracts a purse of public funds, and demands more gold to distribute to the gang. The hostage remains bound by ignorance his entire life. "Stand and deliver, for I am the bold deceiver!"

To put a face on the robber, look into your mirror.

George E. Robinson
Orem

Deserve the truth

Editor:

We voters deserve to know the truth about Karl Snow's association with Mike Strand and this stock fraud deal. The report he says clears him is not believable. Neither would a report by Mr. Orton and the Democrats. Both sides clearly have an ax to grind in having it come out one way or the other. Isn't there some way that someone we can trust, like the newspapers or the university, do a report we could trust? It is an important question and we deserve to know the truth.

Reta A. Egbert
Provo

And, of course, always the recourse of the weak and incompetent, forecast total anarchy (Karras / Arguments Against p.17). Health and human services, public safety and ... oh, yes, don't forget public education (it worked before)! Karras only forgot reduced television viewing and limiting the hours of daylight.

How about a strong message to state government? We're not as stupid as you think we are! Maybe it's high time to cut government's gratuitous funding and find legislators who can manage effectively. Anyone out there agree?

Bill Card
Orem

Peace prerequisite

Editor:

Two weeks ago President Bush addressed a U.N. assembly regarding the Persian Gulf crisis. The U.N. was praised for its unprecedented cooperation and contribution to such an international conflict. Towards the end of his speech, President Bush expressed hopes for a new era of consensus and cooperation and made reference several times to a new international world order.

Enter: John Lennon's song "Imagine" played at the U.N. and broadcast to a larger world audience on the anniversary of his 50th birthday. "Imagine" if you will, a world where personal property was abolished, where religion and reference to a supreme being could not exist, where there was no such thing as national sovereignty, and where boarders on national and international maps would disappear and you will have imagined Lennon's and the U.N.'s brand of world peace and brotherhood.

Peace and freedom are not synonyms. There can be no peace where there is no freedom.

Lisa Critton
Pleasant Grove

Letters regulations

Address letters to Letters to the Editor, PO Box 717, Provo, UT 84603. They should be typed, double-spaced, and less than 400 words in length. Letters must be signed and include the writer's full name, address — and a daytime phone number for verification. For answers to questions about Letterscall editorial page editor — 373-5050.

To make a difference, cast an i



Jack Anderson
& Dale Van Atta
UNITED FEATURE SYNDICATE

WASHINGTON — Some terrible enervation of common sense by leaders has been dragging down the American people.

Our leaders have defaulted on their responsibilities. They have permitted the federal government to run up a massive public debt. Now they can't figure out how to pay for yesterday's bills with tomorrow's grim prospects. Yet they continue to spend as if they will never have to pay.

Congress and each successive administration has stood by while foreigners have taken American inventions, developed them and sold them back to Americans. The resulting trade imbalance now threatens our economic stability.

Where has all the money gone, and why hasn't it bought the nation a modicum of security? The money has been poured into well-intentioned programs that were abused and mismanaged. For instance, the government has spent billions of dollars ostensibly to prop up family farms, but most of the subsidies have gone to big corporate farms. In spite of all the spending, the family farm is nearly extinct.

The government also guaranteed savings and loan deposits under the naive impression that home-loan thrifts would make the American dream their primary business. Now it's the American nightmare. More often than not, the federal guarantee money was used to protect investments in wild ventures.

An astounding number of thrifts are now bankrupt, and the depositors must be bailed out, just as the government promised they would be.

Foreigners increasingly produce the goods that Americans consume. Their goods are better and cheaper, and if it means that the United States pays a catastrophic price somewhere down the road — well, that is then and this is now, and Americans are notoriously shortsighted.

America has issued a written invitation for economic catastrophe to move in anytime it wants. Our political leaders have fostered a climate of complacency and sleeping neglect, and the rank-and-file voters took that sleeping pill willingly. When Congress postponed hard remedies and refused to make the tough decisions, Americans took that as a little more borrowed time. The Reagan years were the epitome of borrowed time. Deregulation fostered greed at all levels.

Once again it is an even-numbered year, and the first Tuesday in November is rolling around. Once again Americans have a chance to make a difference. They can keep the self-serving members of Congress who promise painless, tax-free prosperity, or they can throw a few of the rascals out. Americans can stay home from the polls altogether, or worse, cast an uninformed

Other voices

We believe President Bush made an error when he ordered five million gallons of oil taken from the national reserve.

American oil refiners are selling fuel abroad to take advantage of the higher prices available in Europe than at home. That, however, also drives prices up at home.

Use of the oil reserves as a price control measure can be a temporary one only and for a very brief time.

Opening the oil reserve now delays having to adopt (oil conservation measures) but it may make them more painful when they must be imposed.

Reprinted from Bridgeton (N.J.) Evening News

N000191

9 7 0 4 3 8 3 0 8 0 0

ign tactics by others hurt

ign tactics by the Snow
Snow.
the impression of being a
didn't know what was
own campaign.
ard all of these theories
ere may be some truth to
them. A couple of things
sure of, however:
is a long record of service
e deserves our thanks.
stated values and goals
m as an ultra-conservative
ssachusetts.
ict citizens can now turn
n to another exciting and
e — the Associated Press
ress International college

and good planning prevail.
azine, Oct. 26, 1990, reported
onal Earthquake Prediction
ouncil (NEPEC) evaluated
cember 3 earthquake to be
e media has given him credit
the San Francisco quake.
was that on or about 16
"there will probably be sev-
es around the world ...
mean we should not worry
ncy preparedness? No. I be-
ing food, strapping down gas
designating places for your
in the event of a disaster is a
d helps to alleviate our own
That doesn't mean however,
to take out a loan to buy
d before December 3. Get the
lecisions based on expert opi-
notion created by fervent sales

Craig Passey
Orem

real agenda?

South African police and a
of the South African army is
units of Angolans, bushmen

What those lips were really saying



Mike Royko

TRIBUNE MEDIA SERVICES

The votes are counted and we've had the ritual of winners and losers making their speeches, while their supporters cheered or wept.

Here are a couple of speeches we didn't hear, but I wish we had.

"Thank you, thank you, thank you. This is a great victory. Not only for me, but for all of you who worked so hard to make this possible. You are the real winners.

"Actually, that isn't true. Let's face it, I'm the big winner because this is a real shot for my ego and my career. And now I'll have a very big office, lots of flunkies, power, influence and people will grovel and slobber in hopes that I will do them favors.

"And I will do them favors, especially if they made sizable contributions to my campaign. I'm no ingrate. Those of you who dropped a bundle, don't worry, you'll have my direct phone line. But be careful what you say; the feds could be listening.

"And my loyal wife, standing at my side, is a big winner, too, because she's into power and status. Without her pushing me to claw and scratch my way to the top, I'd probably still be checking commuter schedules like a mope.

"As for the rest of you, the ordinary political junkies who stuffed the envelopes, rang the doorbells and did the tedious work, I appreciate it. And now you can mention my name and say we're friends, even though I won't remember you tomorrow.

"It's been a long, difficult campaign. Frankly, there were times when I wasn't sure it was worth the effort. You can't believe the stupid questions I had to answer. Some of the reporters are dumber than rocks.

"I must have shook 10,000 hands. Some of them were pretty grubby, and I hope I didn't pick up any germs.

"And my face still hurts from having to smile like a jackass all the time. The first thing I'm going to do when I go home tonight is look in the mirror and stick out my tongue and cross my eyes.

"During this campaign, I made a lot of promises and I hope I can keep them, but don't count on it. Most of the promises weren't my idea. My campaign manager and media adviser dreamed them up after we ran all the polls through computers and figured out what you wanted to hear.

"So what's wrong with that? You wanted to hear it. If I didn't say it, you wouldn't have worked and voted for me. I would have been stupid if I told you what you didn't want to hear. Would you want to think that you supported somebody who is stupid? Of course not.

"By the way, I have a gracious concession statement from my opponent. What a stiff. I hope he runs again next time, the bumbler.

"Now I'm going to leave you. But I won't forget you. How can I? You still have to help me pay off my campaign debt."

And from the other side:

"Thank you, thank you. It appears that the votes have been counted and the news isn't good. No, no, we must be realistic. We fought the good fight but we lost.

"Yes, the voters have spoken. And in this great land of ours, the voters have the final say, even if they don't know what the hell they're doing and choose to cast their votes for the wrong guy, which in this case, they did.

"But it won't be long and you'll discover that you have elected a double-talking klutz, and you'll have only yourselves to blame, you dunderheads.

"Well, I suppose I'm partly to blame. I hired that idiot over there to run my media blitz, but it turns out that he couldn't sell hot soup to a starving, freezing Eskimo. Just try to collect your salary, you turkey.

"Anyway, I have sent the following message to my opponent. 'Congratulations on your disgusting victory. It just proves that the better man doesn't always win. You are one of the slimiest examples of human life I have ever encountered. I just wish this were the old days, so I could challenge you to a duel on the field of honor and put a slug in your miserable hide for all of the lies you told about me. And a second slug for some of the truthful things you said about me. I don't know which was worse.' And I hope that the Justice Department keeps an eye on you because if they do, it won't be long before you are standing before a judge being sentenced for malfeasance, nonfeasance and mopery with intent to gawk, and I will buy a round of drinks to celebrate when they lead you off to the slammer.

"Now I am going to walk off into the sunset, and if any reporter sticks a microphone in my face, I'm going to stick it in his ... well, somewhere or other.

"So goodbye, farewell and to hell with politics. This has been the worst experience of my life, and I regret every minute of it.

"And if anybody tries to shake my hand, I'll break your fingers."

Sophisticated U.S. forces would beat Iraq



Jack Anderson

WASHINGTON — The United States would win a war againstIraq in under three months, according to the latest se-

mobile offense that America and its allies have in mind.

Nor can they last long without spare parts that have been held back by the

N000192

...chua brothers,
an officials several ... ago. ...
can authorities believe they are continuing to engage in cocaine operations while under what amounts to house arrest. In fact, Colombia's cocaine production now stands at a record high.

It is conceivable that Bogota's lenient ... dor, whose put. employees were n... henchmen, aptly sumi... situation in a banner hea... Has Won."

Letters

Bless the child

Editor:

The Monday Night Movie, "God Bless the Child," portrayed the love the horror and the sorrow that a young mother and her seven-year-old daughter shared on the streets of America after being dumped by a gutless and worthless wimp of a husband and father.

No one in this country should ever have to plead and beg for a bite of food, a bed for the night, or a band aid for an infected cut, scratch, or rat bite. This is what the mother had to do every day so that her child could have a bed for the night.

I have heard it said many times that the Bush administration knows or cares very little about domestic issues, so he could be known as Johnny Come Lately in offering aid. But it's different when it comes to foreign aid. He will be Johnny on the Spot. Our country, the United States of America, is one of only two industrial nations in the world without a national medical plan, the other is South Africa.

"God Bless the Child" showed that due to sleeping with the rats, the child was placed in a clinic for the poor to get medical treatment. Are we a civilized nation with a clear conscience that cares for our own people?

Are we a nation of cruel, inhuman barbarians without a conscience? Guess we will find out one way or another if and when our representatives in Washington, D.C. vote for or against a national medical plan for one and all. That is way overdue.

The movie showed that due to conditions of living on the streets that could cause a reoccurrence that could be fatal for a child, the daughter was taken from her mother. A sad and sorry ending that should never have had a beginning on the streets of America. This mother and child are only two of many unfortunate families living in poverty in nearly every city across America. I do have a soft spot for these children and mothers. God Bless Them All.

W.A. Watkins
Orem

Whose neck?

Editor:

Congratulations to Rob... Hicken and Patrick Christian on their ...ward from the Associated Press for the... articles on the Kari Snow-Mike Strand relationship. For me, the story was indeed the highlight of the year in the Utah County press.

I question, however, AP's judgment in giving the award to The Herald when it was Student Review which first revealed the details of Snow's relationship with Strand. It wasn't until Oct. 9, 1990 that The Herald began questioning Snow's involvement with Unique Battery and Global Oil, and an analysis of the Snow-Strand relationship didn't appear until Oct. 14.

Student Review, on the other hand, ran two full-length analyses of Snow's involvement with Strand by the time the Herald's Oct. 14 article came out. Eric Schulzke, who had worked on the John Harmer campaign and who was instrumental in distributing information to the press about the Snow affair, authored three in-depth articles on Kari Snow for Student Review, two of which appeared before the Herald's Oct. 14 analysis, the first on Oct. 3 and the second on Oct. 10. The third appeared on Oct. 17.

Why did The Herald wait so long to release the story, since the information was provided to the press before the primary election in September? Was it because of threatened legal action by Snow? Was The Herald just waiting for someone else to make the first move? Student Review finally made that move, incurred the wrath of Snow as a result, and now The Herald is getting the award.

Before Utah County and The Herald begin to believe that the local press stuck its neck out last year, give credit where credit is due. Eric Schulzke and Student Review deserve the award.

John M. Armstrong
Publisher, Student Review
Provo

Legacy responds

Editor:

Sandie R. Boley's letter, dated Monday, June 25, inaccurately portrayed events and purposes of the Legacy Foundation. This is our response:

1. We believe that homosexuality is an orientation, not a set of sexual behaviors. We believe this because people who are gay do not all act alike — some are promiscuous and some are not.

2. We are not religious leaders, nor are we psychologists. We provide information and support for people concerned about gay issues. We encourage participants to listen to their consciences and seek answers to spiritual and emotional issues from religious leaders, counselors, family members and the like.

3. We have never held meetings on BYU campus, but five of our members were invited by a professor to answer questions for a psychology class. Many questions dealt with the issue of reconciling homosexual feelings and religious beliefs.

4. Our youth group is geared to gay adults age 18 to 24.

5. We do not recruit people — young or old — to become homosexual. For people who think they may be homosexual, we encourage them to carefully consider their feelings and make decisions based on all of the information they can find.

6. Dr. Stout was not asked to discuss AIDS, suicide, or spirituality, so he didn't focus on those topics in his discussion. We invite religious leaders, AIDS educators, and other experts to discuss those issues.

7. The Legacy Foundation is not an infiltrator into Utah Valley. Most of us were born and raised here. We are unique among gay organizations because we advocate those principles that make Utah Valley a great place to live. That is one reason why we chose Legacy for our name.

We welcome input and involvement from community members concerned about our efforts.

Randy Weight, Director
The Legacy Foundation
Orem

Letters policy

The Daily Herald welcomes letters to the editor. Address letters to Letters to the Editor, PO Box 717, Provo, UT 84603. Letters must be signed and include the writer's full name, address — and a daytime phone number for verification. Letters should be typed, double spaced, and less than 400 words in length. Letters are published on a first come first served basis. The most common reasons for not publishing letters are: too long, unsigned, illegible, obscene or libelous. Sometimes numerous letters will each say basically the same things about the same topic. In such cases, a representative sampling of the letters will be published.

...sneak ...
"She's t... pher Colu... 1492 and ... now it turn...
Ah, you'... controver... 500th ann... Americ...
"Hey, Don't le... say it w...
I think ... ter," rath...
"Whateve... fell apart. Th... buffalo roam... antelopes pla... Aztecs killed... polluted ever... him, it ain't ...
No, I think... ists are sayi... encountering... sible the sub... iards and oth... many of the... And they say... event that le... ing of a la... Americans.
guilty.
"But I did... feel guilty?"
Yes, but ov...
"Not mine... for the India... liked the w... reminded hi...
You see,

Sovi...

RIGA, La... television ... dances to t...
Alexander... mously pop... onds," is ... intelligence ... Latvia when ... movement ... Nevzorov.

As the tit... it is meant ... Minutes." ... among his ... but he is ... dozens of ... Soviet Unio... glasnost, bu...
He has ... and cultiva... nalist, com... commando ... does an a... known to c...

Until rec... imitate Ar... nalist who ... few days ... up the se... using dry... astrologer...
Some ... camoufla... the Balti... of the K... and layi... worst, h... officer's ... sources.
Nevzo... colleagu... the KG... helpful ... how ma... For me ... mechani... men tha... the good

9704380801

N000193

N000194

Ucrpamts in the Second Annual Gay and Lesbian Pride March encountered about a dozen skinheads Thursday afternoon.
"They tried to disrupt the rally and had signs that read 'Thank God for AIDS,' " said Ben Barr, executive director of the Utah AIDS Foundation.
More than 300 marchers ran into the skinheads at the Salt Lake City-County Building at the end of

Stationary Sprinkler
Waters small areas efficiently, even when water pressure is low. Durable zinc construction; covers
117
21⅝" above sod; pops down for storage
Choose 1/2, 3/4 or full circle watering pattern
25401S, 5401J, 5401Q
Sundial Pistol Grip Hose Nozzle
Choose from 4 spray settings; shower to stream to spray to full action. Plastic construction with
98
Port A Rain™ Sprinkler
Square pattern sprinkler with adjustable coverage
Sturdy metal base prevents tipping; can
299

The Daily Herald

Friday
June 28, 1991

"You have not converted a man because you have silenced him."
— Lord Morley, English statesman (1838-1923)

Opinions

A victory for terror

Herald comment

In a deal fraught with risks, the Colombian government has extended lenient treatment to the world's most powerful cocaine barons in exchange for a respite from the surge of narco-terrorism that has shattered the country.

Even if the government's concessions turn out to be a step forward in the short term, they are almost certain to be two steps backward over the long term.

Pablo Escobar, the billionaire boss of the Medellin cartel, surrendered to Colombian authorities after a seven-year manhunt. In return, he was promised a short sentence in a ranch-style compound and a guarantee against extradition to the United States. He is wanted in this country on murder and drug-trafficking charges.

Escobar, who is believed to have masterminded the bombing of a Colombian jetliner that claimed 107 lives, will serve his time in a comfortable mountaintop retreat with a panoramic view of the Medellin Valley.

He turned himself in only after the democratically elected Constituent Assembly rewrote the constitution to prohibit the extradition of native Colombians.

The possibility of extradition to the United States to stand trial has been a principal worry of Colombia's drug kingpins. Approximately 50 major traffickers have been turned over to American authorities and confined in U.S. prisons.

Three of Escobar's most notorious associates, known collectively as the Ochoa brothers, surrendered to Colombian officials several months ago. American authorities believe they are continuing to engage in cocaine operations while under what amounts to house arrest. In fact, Colombia's cocaine production now stands at a record high.

It is conceivable that Bogota's lenient terms may ease, at least for a time, the assassinations and other violence fomented by Colombia's drug lords. But it is very unlikely to curb the cocaine trade, which springs from an elaborate international network spread across much of Latin America.

Nor are the government's concessionary policies likely to instill respect for the country's frail and ineffective judicial system, which has been no match for Colombia's potent and ruthless drug dealers.

Fundamental reform of the court system is needed to insulate judges from intimidation and corruption and to provide them the resources they need to enforce the law effectively. With extraditions now ruled out, the court system has become the government's prime authority to control cocaine operatives.

The Bush administration has no effective leverage to counter the Constituent Assembly's decision on extraditions. To reduce American aid in response to the assembly's action, which was popular among terrorized Colombians, would merely stir nationalistic opposition to further cooperation with Washington in the anti-drug effort.

Despite the popularity of the government's leniency toward narcotics traffickers, any celebration is premature, to say the least.

In Bogota, the newspaper El Espectador, whose publisher and five other employees were murdered by Escobar's henchmen, aptly summed up the current situation in a banner headline: "Terror Has Won."



In 1991, Columbus is sailing undone



Mike Royko

"So it looks like that skinny Mrs. Purvis lied to us," said Slats Grobnik.

Who?

"You remember her. That teacher we had in grade school who'd never let me go to the bathroom."

Oh, yes. She thought you were trying to speak a smoke. How [illegible]

And they want me to feel guilty? Besides, if Columbus didn't come here, what would have happened?"

I suppose it would have been a matter of time until someone else did.

"Yeah. What if it was the Chinese? Then they would have [illegible]

Letters

Bless the child

Editor:

"The Monday Night Movie, "God Bless the Child," portrayed the love the horror and the sorrow that a young mother and her seven-year-old daughter shared on the streets of America after being dumped by a gutless and worthless wimp of a husband and father.

No one in this country should ever have to plead and beg for a bite of food, a bed for the night, or a band aid for an infected cut, scratch, or rat bite. This is what the mother had to do every day so that her child could have a bed for the night.

I have heard it said many times that the Bush administration knows or cares very little about domestic issues, so he could be known as Johnny Come Lately in offering aid. But it's different when it comes to foreign aid. He will be Johnny on the Spot. Our country, the United States of America, is one of only two industrial nations in the world without a national medical plan, the other is South Africa.

"God Bless the Child" showed that due to sleeping with the rats, the child was placed in a clinic for the poor to get medical treatment. Are we a civilized nation with a clear conscience that cares for our own people?

Are we a nation of cruel, inhuman barbarians without a conscience? Guess we will find out one way or another if and when our representatives in Washington, D.C. vote for or against a national medical plan for one and all. That is way overdue.

The movie showed that due to conditions living on the streets that could cause a reoccurrence that could be fatal for a child, the daughter was taken from her mother. A sad and sorry ending that should never have had a beginning on the streets of America. This mother and child are only two of many unfortunate families living in poverty in nearly every city across America. I do have a soft spot for these children and mothers. God Bless Them All.

W.A. Watkins
Orem

Whose neck?

Editor:

Congratulations to Robb Hicken and Patrick Christian on their award from the Associated Press for their articles on the Karl Snow-Mike Strand relationship. For me, the story was indeed the highlight of the year in the Utah County press.

I question, however, AP's judgment in giving the award to The Herald when it was Student Review which first revealed the details of Snow's relationship with Strand. It wasn't until Oct. 9, 1990 that The Herald began questioning Snow's involvement with Unique Battery and Global Oil, and an analysis of the Snow-Strand relationship didn't appear until Oct. 14.

Student Review, on the other hand, ran two full-length analyses of Snow's involvement with Strand by the time the Herald's Oct. 14 article came out. Eric Schulzke, who had worked on the John Hartner campaign and who was instrumental in distributing information to the press about the Snow affair, authored three in-depth articles on Karl Snow for Student Review, two of which appeared before the Herald's Oct. 14 analysis, the first on Oct. 3 and the second on Oct. 10. The third appeared on Oct. 17.

Why did The Herald wait so long to release the story, since the information was provided to the press before the primary election in September? Was it because of threatened legal action by Snow? Was The Herald just waiting for someone else to make the first move? Student Review finally made that move, incurred the wrath of Snow as a result, and now The Herald is getting the award.

Before Utah County and The Herald begin to believe that the local press stuck its neck out last year, give credit where credit is due. Eric Schulzke and Student Review deserve the award.

John M. Armstrong
Publisher, Student Review
Provo

Legacy responds

Editor:

Sandie R. Boley's letter, dated Monday, June 25, inaccurately portrayed events and purposes of the Legacy Foundation. This is our response:

1. We believe that homosexuality is an orientation, not a set of sexual behaviors. We believe this because people who are gay do not all act alike — some are promiscuous and some are not.

2. We are not religious leaders, nor are we psychologists. We provide information and support for people concerned about gay issues. We encourage participants to listen to their consciences and seek answers to spiritual and emotional issues from religious leaders, counselors, family members and the like.

3. We have never held meetings on BYU campus, but five of our members were invited by a professor to answer questions for a psychology class. Many questions dealt with the issue of reconciling homosexual feelings and religious beliefs.

4. Our youth group is geared to gay adults age 18 to 24.

5. We do not recruit people — young or old — to become homosexual. For people who think they may be homosexual, we encourage them to carefully consider their feelings and make decisions based on all of the information they can find.

6. Dr. Stout was not asked to discuss AIDS, suicide, or spirituality, so he didn't focus on those topics in his discussion. We invite religious leaders, AIDS educators, and other experts to discuss those issues.

7. The Legacy Foundation is not an infiltrator into Utah Valley. Most of us were born and raised here. We are unique among gay organizations because we advocate those principles that make Utah Valley a great place to live. That is one reason why we chose Legacy for our name.

We welcome input and involvement from community members concerned about our efforts.

Randy Weight, Director
The Legacy Foundation
Orem

Letters policy

The Daily Herald welcomes letters to the editor. Address letters to Letters to the Editor, PO Box 717, Provo, UT 84603. Letters must be signed and include the writer's full name, address — and a daytime phone number for verification. Letters should be typed, double spaced, and less than 400 words in length. Letters are published on a first come first served basis. The most common reasons for not publishing letters are: too long, unsigned, illegible, obscene or libelous. Sometimes numerous letters will each say basically the same things about the same topic. In such cases, a representative sampling of the letters will be published.

1492 and what a great [illegible] was. And now it turns out he was a [illegible]ouse."

Ah, you've been reading about the great controversy over the celebration of the 500th anniversary of his discovery of the Americas.

"Hey, be careful. You said 'discovery.' Don't let no Indian hear you say that. They say it was an invasion."

I think it is acceptable to say "encounter," rather than discovery.

"Whatever. After he got here, everything fell apart. This was a paradise, where the buffalo roamed and the deers and the antelopes played. Then Columbus got the Aztecs killed, and started slavery, and polluted everything, and now because of him, it ain't a natural paradise anymore."

No, I think what the historical revisionists are saying is that by discovering, or encountering, the Americas, he made possible the subsequent invasion by the Spaniards and other Europeans who committed many of the foul deeds you've mentioned. And they say we should not celebrate an event that led to the invasion and plundering of a land that belonged to Native Americans. We should mourn and feel guilty.

"But I didn't do nothin'; why should I feel guilty?"

Yes, but our ancestors did.

"Not mine. My old man always cheered for the Indians in the cowboy movies. He liked the way they danced. He said it reminded him of a Polish wedding."

You see, that is an example of the Eurocentric attitude that disturbs so many anti-Columbus historians and writers.

"What kind of attitude?"

That because the early explorers and exploiters were Europeans, they thought they were a superior civilization and had a divine right to do anything they chose, such as overrunning someone else's land and claiming it as their own.

"Well, they was, wasn't they?"

Was what?

"Kind of superior. Not to put a rap on the Native Americans, but by 1492, they hadn't even figured out the wheel. So if they was 3,000 years behind in figuring out the wheel, how long would it have taken 'em to come up with arch supports or draft beer or air conditioning or the jukebox or any of the other great inventions? I mean, they had this country to themselves for all those thousands of years, and back in Europe they already had big cities and universities and books and orchestras and three-flats and booze and guns and hookers and spaghetti, and what did the Native Americans ever invent besides a pointy tent?"

Well, they are credited with introducing the world to the pleasures of tobacco.

"Great. So how many people all over the world have croaked because of tobacco? And how many others are miserable because they can't shake the habit but they can't light up at work and their wives are yelling at them about secondhand smoke?

Soviet journalist serves his friend



Jack Anderson & Dale Van Atta

UNITED FEATURE SYNDICATE

RIGA, Latvia — One of the most popular television journalists in the Soviet Union dances to the tune played by the KGB.

Alexander Nevzorov, host of the enormously popular Leningrad show "600 Seconds," is the KGB's boy, according to intelligence sources in Washington and in Latvia where the struggling independence movement has seen the dark side of Nevzorov.

As the title of Nevzorov's show suggests, it is meant to be the Soviet answer to "60 Minutes." Nevzorov has high credibility among his audience of 50 million viewers, but he is no Mike Wallace. There are dozens of crusading journalists in the Soviet Union daring to take advantage of glasnost, but Nevzorov is not one of them.

He has styled himself as a muckraker and cultivates the image of a gonzo journalist, complete with a leather jacket and commando personality. When Nevzorov does an ambush interview, he has been known to carry a gun along with his pen.

Until recently, his worst sin was to badly imitate American TV hype. A Dutch journalist who followed Nevzorov around for a few days told us that he frequently dresses up the setting for his interviews, including using dry ice during a chat with an astrologer.

Some people now know the wolf in camouflage jacket better, particularly in the Baltics. At best, he is a willing stooge of the KGB, taking the stories they feed and laying off the people they protect. At worst, he could be a paid agent with an officer's rank, according to intelligence sources.

Nevzorov has confided to a Russian colleague that he has "good relations with the KGB." He added, "They are very helpful to me. It is not important to me how many crimes they have committed. For me, the KGB is strength, an ideal mechanism, a power that could be led by men that are wise, just and love Russia for the good of Russia."

We learned here in Riga of a theory in the intelligence community that in February Nevzorov staged an attempted assassination on himself and made it look like Latvian police did it. Nevzorov had been hanging around with Soviet Interior Ministry stormtroopers known as Black Berets after several of them killed five independence demonstrators and bystanders on Jan. 20.

At 1:40 a.m. on Feb. 4, Latvian police received a report of a shooting and a fire near the Black Beret base north of Riga. Two unarmed Latvian customs officers were asked to investigate. When they arrived on the scene at 2 a.m. they found a car in flames, and were immediately surrounded by Black Berets. The Russian thugs put guns to the Latvians' heads, interrogated them and then locked the up at the base. A few hours later the two were awakened by Nevzorov himself who demanded to know — with lights on and cameras rolling — why they had tried to kill him. The Latvians were being framed for the bogus assassination attempt.

The KGB-controlled Tass news agency then issued a statement saying that someone had shot at and thrown a hand grenade at Nevzorov and five Black Berets in a car, and that the two perpetrators were in custody. It was not until 9 p.m. that the Black Berets gave up the ruse and let the two men go free.

The Baltic people have learned to expect no better than disinformation from Nevzorov. When Russian paratroopers killed 14

N000195

N000196

Vote for
Richard Harrington!

A Message from
Republicans formerly for Orton

Two years ago, in the Third Congressional District election, this organization was formed in the wake of the mud-bath that destroyed the Republican candidates John Harmer and Karl Snow for the purpose of supporting and electing Bill Orton, whom we wanted to believe was a conservative.

Even as we successfully accomplished our mission, some of us had reservations that we may have "created a monster."

Bill Orton's voting record over the past two years has confirmed our fears. His record irrevocably confirms that he is not a real conservative. He has successfully led the voters to believe that he is conservative with a few "showcase" votes and a lot of political rhetoric. His voting record shows him to be a partisan Democrat who is supported by big labor unions and who votes their agenda.

He has also voted for all the liberal Democratic Congressional leadership along with their ultra-liberal philosophies. He has also publicly stated on KTVX, Rod Decker's "Take Two" program that he will be voting for Bill Clinton for President.

We can no longer tolerate Mr. Orton's deception or support his re-election. We are

N000197

program that he will be voting for Bill Clinton for President.

We can no longer tolerate Mr. Orton's deception or support his re-election. We are publicly shifting our support to Republican, Richard Harrington, who we know is a conservative, and for the good of our district, our state and our nation we urge all Third District voters to do the same.

Respectfully,

Mike Schnable, President

Jacqueline G. de Gaston

Jackie de Gaston, Treasurer

A spokesman for Republicans FORMERLY for Orton and Utahns for Ethical Government has recently disclosed:

- Bill Orton helped organize Utahns for Ethical Government and then lied about his involvement in the smear campaign that defeated Karl Snow in 1990.

- Bill Orton is being investigated by the Federal Election Commission for violations of regulations in helping to organize and advise these "independent" organizations.

- Bill Orton's law firm had deep ties with the penny stock fraud that was used to smear Karl Snow.

We were deceived once. NEVER AGAIN.

Paid by the Richard Harrington for Congress Committee

9704383080 6

861000N

Briefs

11-year-old girl found after search

SANDY (AP) — An extensive search for an 11-year-old Sandy girl was called off close to midnight Friday after the girl came home from an impromptu babysitting job.

Scores of Sandy residents, police, a canine unit and the Salt Lake County Search and Rescue had been searching for Jenny Parr since about 7 p.m.

Parr had been waiting on the front porch of her home for a ride to a baby-sitting appointment at 6:30 p.m. When the baby-sitting job was cancelled at 6:40 p.m., the girl's brother went outside to tell her, but Parr was gone.

Utah man enters plea in accident

BOZEMAN, Mont. (AP) — A Utah truck driver has pleaded innocent to a charge of negligent homicide in connection with a June traffic accident that killed four people.

Lewis Allen, 41, was the driver of a cattle truck that collided with a Ford Bronco while that vehicle was waiting for a motorhome to turn off U.S. 191 between Bozeman and Big Sky.

Four occupants of the Bronco were killed — Stacie Hermann, Alex Wallace, Ed Wallace and Anthony Mulhern. The driver, Mike Ferris, and another passenger, Dana Wallace, survived.

Authorities contend that Allen was not paying attention to either the road or traffic at the time of the accident.

Minority may lead Salt Lake police

SALT LAKE CITY (AP) — The top two finalists for Salt Lake

Poll: Orton, Hansen leading

SALT LAKE CITY (AP) — Jim Hansen and Bill Orton held comfortable leads in their re-election bids just days before the election, while Karen Shepherd surged ahead of Enid Greene, according to a new poll of Utah's congressional races.

Shepherd, a Democrat, led Republican Enid Greene by 6 percentage points in the 2nd District, according to a copyright Deseret News-KSL-TV survey Saturday. Shepherd's showing was a 12-point improvement over a poll three weeks earlier.

The Dan Jones & Associates telephone survey of 478 people Monday through Thursday had an error margin of plus or minus 4.7 percent.

Jones found that 46 percent of the respondents supported Shepherd, 40 percent favored Greene, 2 percent mentioned Independent Party candidate A. Peter Crane and no one mentioned Socialist Workers Party candidate Eileen Koschak. Twelve percent were undecided.

"That is key — so many undecided so close to the election," Jones said. "In some races, you find that the undecideds don't know the candidates. But I found (the 12 percent undecided) know these candidates, they really just don't know yet who they'll vote for."

He predicted that 5 percent of the voters actually will make up their minds in the voting booth in the 2nd District race.

Shepherd was out campaigning and unavailable for comment. But Peter Valcarce, Greene's campaign manager, said she was ignoring the published poll in favor of her own tracking, which as of Friday showed the race at a dead heat.

"We've been on a steady increase, bringing home Republicans and independents," Valcarce said.

In the 1st District, the six-term Republican Hansen led his Democratic opponent, Ron Holt, 64 percent to 19 percent. Independent Party candidate Dub Lawrence has 4 percent support, 1 percent mentioned someone else and 13 percent didn't know, Jones found.

Orton, the heavily Republican 3rd District's first-term Democrat, also held a large lead over his Republican opponent, Richard Harrington. Jones found that 57 percent of those questioned supported Orton, 23 percent favored Harrington.

Informant helped foil kidnapping

SALT LAKE CITY (AP) — The 55-year-old Salt Lake man charged in the attempted kidnapping of a thrift executive's child, is a coin and antique collector, amateur historian and former correspondent with convicted killer Mark Hofmann.

Harry Frederick Campbell and Daniel C. Moll, 35, of Murray, are to be arraigned Monday in 3rd Circuit Court on charges of attempted child kidnapping and conspiracy to kidnap. Both are being held in the Salt Lake County jail without bail.

During a search of Campbell's home, officers found a file of letters between Campbell and Hofmann, according to the Deseret News. The two corresponded about history and relics before Hoffman pleaded guilty in the bombing murders of Steven Christensen and Kathleen Sheets in October 1985.

In an interview with the Salt Lake Tribune from his jail cell, Moll detailed how Campbell devised the plot to kidnap one of the children of H. Brent Beesley from the family's home in the Federal Heights neighborhood.

They planned to demand $3 million in ransom. Moll said financial desperation drew him into the scheme.

Beesley is the chief executive officer Heritage Savings Bank in St. George and a former head of the Federal Savings and Loan Insurance Corp.

The two were snitched off by the third would-be kidnapper, whom Moll said had known Campbell for years and had been enlisted to help in the crime. That man, who has not been identified, told police of the kidnapping plan after he was indicted on drug-trafficking charges.

Moll told the Salt Lake Tribune he was so desperate for a better life that he decided to help his friend kidnap a child for ransom. Campbell had asked Moll to help in the crime six months ago, Moll said.

"It seemed like an opportunity where I could obtain a higher quality of living," said Moll, who is disabled and receives $600-per-month in public assistance. "I didn't want to do it. I didn't want to hurt anybody. But he (Campbell) just kept calling me."

Aerospace firm to build in Utah

OGDEN (AP) — Parker Hannifin Corp., wooed by Utah's incentive offerings, has decided to build a 100,000-square-foot facility that will double its work force in Weber County.

The aerospace contractor will be moving a large part of its commercial business to Utah from Irvine, Calif., where Parker Bertea Aerospace, one of Parker Hannifin's eight operating sectors, is located.

"We're not abandoning Southern California," said Stephen L. Hayes, vice president and general manager of the Control Systems Division. "But we're not new to Utah, and this is a logical place to put that segment of our business."

The company plans to combine all its hydraulics work and separate its military and commercial businesses, he said.

About 250 people at the 130,000-square-foot manufacturing site in the Weber Industrial Park now produce flight controls, actuators, reservoirs and accumulators. With the new facility, Parker will be opening a full business unit here, Hayes said.

Parker Hannifin, which just reported a 5 percent first-quarter increase in profits to $16 million, projects a growing commercial business.

The company began looking at separating its businesses about a year ago. In April, it began looking at 17 sites around the country and recommended Utah in August.

"It was certainly an advantage in Utah to come here," he said.

Parker's new facility, to be built on 40 acres it owns next to its existing building, should be completed by the end of next year. Hiring should begin in 1994, Hayes said. The company may bring as many as half its new work force from California, he said, but that depends on needed skills.

Parker has been talking to the county about what it can offer and is applying for a piece of the controversial state Industrial Assistance Fund, which most recently loaned Morton International Inc. $1 million.

The fund has suffered from bad publicity for its origin $8.4 million to McDonn Douglas Corp., whose busines has taken a nose dive.

The IAF began with a balance of $10 million and operates under guidelines that calculate a specific return to the Utah economy. McDonnell Douglas withdrew $4.4 million before it was beset by defense cutbacks, and may never draw on the remainder.

"It was unfortunate that it was tabbed as the McDonnell Douglas Fund," said Russ Behrmann, spokesman for the state Department of Community and Economic Development.

Army releases victims' names

STATE SCHOOL BOARD
DISTRICT 15

V TERRY NELSON LEE

her

ls, scattered showers

nountains. Snow level near 7,000 feet. Warmer with highs in the mid-50s to mid-60s.

Southern Nevada: Today mostly sunny and warmer. Highs in the 70s. Tonight fair skies. Lows in he 50s. Monday mostly sunny. Highs in the 70s.

COLORADO

Statewide: Today colder with scattered snow showers mountains. Snow showers ending east otherwise partly cloudy lower elevations and windy. Highs mid-40s o mid-50s lower elevations with mainly 30s mountains.

WYOMING

Statewide: Today scattered now showers western mountains. Partly cloudy elsewhere with isolated showers. Brisk winds with highs 40 to 55. Tonight snow showers likely western mountains.

WASHINGTON

Western Washington: Today showers and breezy at times. Highs mid-50s. Tonight showers decreasing. Lows lower to mid-40s. Monday scattered showers and partial clearing. Highs mid-50s.

Eastern Washington: Today rain likely. Highs mid-40s to mid-50s. Tonight showers decreasing. Lows mid 30s to lower 40s. Monday widely scattered showers otherwise partial clearing. Highs mid-40s to mid-50s.

OREGON

Western Oregon: Today rain at times. Highs 55 to 65. Tonight rain at times mainly north, Local partial clearing south. Lows in 40s to lower 50s. Monday light rain at times mainly north with some partial clearing areas south. Highs 55 to 65.

past, look to future

nat affect the atmospheric carbon ioxide level?" he asked.

Such debates illustrate the weaknesses of studying the carbon cycle f the past to learn about the climate of today. It becomes difficult o sift through the multitude of carbon cycle processes, find the most nportant ones and describe them ccurately.

Hoffert, who directs New York Jniversity's Earth Systems Center, explained that climate models – intricate computer programs nat try to predict future climates – cannot crack the climate nut. or example, he said, today's climate models have trouble simulating the effects of clouds.

Climatologists don't know if climate change would mean more louds or fewer clouds. And they isagree about the effects clouds ave on climate. While they cool limate by blocking sunlight, louds also warm the Earth by apping heat like a blanket. Scientsts can't figure out which effect redominates. All of their uncerainties add up to a disagreement of nore than 5 degrees Fahrenheit mong the various climate models.

In terms of a daily weather report, 5 degrees is barely noticeable. But in terms of Earth's climate, 5 degrees is the difference between a greenhouse and an igloo. When Earth was only about 4 degrees colder than it is today — about 18,000 years ago — glaciers covered much of North America.

Hoffert thinks he can use his knowledge of that period — called the glacial maximum — and of the Cretaceous period around 100 million years ago to get around the uncertainty about clouds.

"In a way it would be an end run around the cloud feedback problem," he said.

Hoffert estimated the carbon dioxide levels during those two periods, as well as other factors such as the sun's output, the positions of the continents and sea level. He figured out how each of those factors contributed to climate and then compared them to a favorite hypothetical situation of climate modelers — an atmosphere with twice as much carbon dioxide as today.

It was a relatively simple exercise. With carbon dioxide levels up to 10 times higher than today, temperatures were 9 degrees warmer during the Cretaceous. And with carbon dioxide levels a little over half of today's, temperatures were about 4 degrees colder at the glacial maximum.

Storms soak much of West

The Truth

This paper won't print letters from candidates. But if you've read any "planted" by my opponent, you should read the truth.

Since They Won't Print It...

DEAR EDITOR:

Several recent letters to the Editor about me have contained half-truths, lies, misrepresentations, and deceptions about my voting record. It is clear that nearly all come directly from Richard Harrington's campaign literature. These charges are so far from the truth, that they do not even deserve a response. But, unfortunately, a lie repeated and left unchallenged often takes on the credibility of truth. So, as briefly as possible, here is the truth to refute the worst of these lies.

Harrington and his supporters claim that I voted "to cover up the House Bank scandal" and "to conceal House Bank records from a special Justice Department investigation (HR 440)." BLATANT LIE! I did not bounce any checks, and I have voted on seven separate votes to close the House Bank, investigate, publicly disclose, and turn over records to the Justice Department. (HR 236;393;396;397;440;441;471) HR 440 states "Resolved, That the House of Representatives shall comply with the subpoenas issued in connection with the preliminary inquiry of the Special Counsel ...." I voted FOR that and every other disclosure resolution, yet letters to the Editor claim that was a vote to conceal.

They also claim that I voted to "suppress the House Post Office investigation." ABSOLUTELY FALSE! I voted (HR 340;430) to create a bi-partisan task force to investigate and publicly report its findings. Since questions of criminal activity arose, I voted (HR 518) to transmit all records from the task force to the Justice Department for criminal investigation and to the Ethics Committee to investigate ethical violations (transmitted 7/22/92). After the raw data and evidence developed by the task force had been sent to Justice for criminal investigation I voted against (HR 520 & 526) turning over all the evidence from the investigation to the press. The Justice Department also opposed making public the evidence being considered in a current grand jury criminal investigation. Subsequently, the grand jury has issued indictments and trails are pending. Our

N000199

port, 5 degrees is barely noticeable. But in terms of Earth's climate, 5 degrees is the difference [illegible] about 4 [illegible] degrees colder at the glacial maximum.

Storms soak much of West

By The Associated Press

Pacific storms on Saturday spilled rain over the Northwest and across the Rockies and Plains. Storms over the Northeast dampened the mid-Atlantic states.

Rain turned to snow in the higher elevations of the Colorado Rockies, but in Texas skies were sunny and temperatures unseasonably warm.

By midday, rainshowers and thunderstorms dotted the Great Plains, the Mississippi Valley, the Missouri Valley, the southern Rockies, the north Pacific Coast, and the mid-Atlantic states.

The mid-Atlantic storms brought early morning rain to New York, Philadelphia, Pittsburgh and Washington, D.C.

Rain was also widely scattered across the nation's midsection, from Wyoming and the Dakotas, south to northern New Mexico.

Heavier rainfall recorded during the six hours ending at 1 p.m. EST included .51 of an inch at Grand Junction, Colo. There were no reports of measurable snowfall during the same period.



lean Olpin Sundberg

Kelly and Teri Sundberg

ence. Compassion.

that dates back to the era of hand-hewn horses on the dirt road leading from town. Dee Olpin, made his way to Pleasant Grove His son, Lewis, continued in the business.

ıddaughter, LuJean. They purchased the lortuary that opened in 1946. Their son, ooth funeral directors and create a fourth

dberg
)lpin
MORTUARY

t. Orem, Utah 84058
5-1530

voted against (HR [illegible] & 526) turning over all the evidence from the investigation to the press. The Justice Department also opposed making public the evidence being considered in a current grand jury criminal investigation. Subsequently, the grand jury has issued indictments and trails are pending. Our Constitution mandates "trial by jury" not "trail by press."

One of the most ridiculous claims is that I voted against allowing "the Boy Scouts of America to prohibit homosexuality in its ranks." TOTAL FICTION! The United Way in San francisco refused to contribute to the Boy Scouts because of their policy on homosexuals. Rep. Holloway (R-LA) wanted to amend a bill to prohibit United Way from using bulk mail permits unless it renewed contributions to the Boy Scouts. Besides being bad policy for government to try to force someone to make charitable contributions, the amendment was ruled out of order and was never actually voted upon. There was never any vote on the Boy Scouts or its policies.

Displaying utter contempt for the truth is their claim that I "led the fight against the Balanced Budget Amendment." LAUGHABLE! The truth is that I was a cosponsor of the amendment and instrumental in getting it to the floor for a vote. I also drafted my own, even stronger, Balanced Budget Amendment which was praised by both Democrats and Republicans including Rep. Jim Hansen (R-UT). I have also filed a budget enforcement bill which will reform the entire federal budget process.

Space is too short to refute every ridiculous charge raised in this negative campaign against me, but each is absolutely absurd, nonsensical, and without any factual basis whatsoever. The voters deserve to hear issues and the candidates vision of solutions - not bashing. If anyone wants further detail on any votes or my stand on real issues, you may phone my campaign at 22-ORTON.

Sincerely,

Congressman Bill Orton

Bill

BILL ORTON
US CONGRESS
Doing What's Right for Utah.

PAID FOR AND AUTHORIZED BY ORTON FOR CONGRESS

N000200



Herald Photo/Patrick J. Krohn

dummy!'

two- the car. According to the Utah Highway
t. All Patrol, there were 270 fatalities by rollover
out of in the state last year.

mb Evans
'ork

ns York, 79, died Octo-
Utah Valley Regional



Sep-
in
a
ohn
rah
eld
ried
dal
929
ced.
ilen
July
nar-
so-
Pro-

Norma Argyle Schroder

Norma Annie Argyle Schroder, 67, of Spanish Fork, died Friday, October 30, 1992 in the Mountain View Hospital in Payson.

She was born on August 25, 1925 in Lake Shore, Utah, the daughter of Joseph Lorenzo and Annie Serena Francis Argyle. She married Marion Earl Schroder on June 30, 1947 in Lake Shore. Their marriage was later solemnized in the Manti LDS Temple. He preceded her in death.

She attended Spanish Fork schools and graduated from Spanish Fork High School. She was a seamstress and worked for many sewing plants in Spanish Fork. She has lived most of her life in Lake Shore and for the past three years in

Political group's formation the subject of accusations

By ROBB HICKEN
Herald Staff Writer

SALT LAKE CITY — Disgruntled and distraught, Republican supporters who once sounded the praise of Democrat Rep. Bill Orton, now are crying foul.

Jackie de Gaston, of Orem, speaking for Utahns for Ethical Government, told *The Daily Herald* Thursday that Orton and Sheldon Kinsel, Orton's chief staff member, were involved in the formation and operation of Utahns for Ethical Government.

Both Orton and Kinsel deny the accusations as does one of the UEG founders.

Kinsel said he attended UEG meetings, but said he had no major role in the foundation or dissemination of any of the information.

Scott Norton, who acted as spokesman and was one of the founders for UEG, said, "She (de Gaston) wasn't involved in any way shape or form with any of it. I don't know where she gets off trying to be a spokesman or anything."

The Daily Herald has tried since Thursday afternoon to get comment from de Gaston following the press conference, but has been unsuccessful in attempts to reach her.

The claims, made four days before the election, stem back two years to the election race between Orton and Republican candidate Karl Snow.

At that time, a group of Utah Valley residents stepped forward, claiming displeasure with the results of both the primary election and the bipartisan race. In addition to UEG, Republicans for Orton, stepped forward to offer support.

In an eight-page statement, issued in a press conference at the State Capitol Thursday, de Gaston detailed the formation and incidents surrounding the two groups. She said, "As one of only four principals involved in that brilliant expose, Sheldon probably played a significant role as the only Democrat, political strategist, and link to the main Orton office."

Kinsel said he knew nothing of the formation, but attended some meetings after learning of it, and how the group planned to use in-



Bill Orton



Jackie de Gaston

formation about Snow to further Orton's campaign.

He admitted he had been a campaign worker for Orton, but quit the campaign after an exchange of words with Orton over the "Snow material."

"Sheldon felt strongly that it was my obligation to use (the Snow material)," said Orton. "I expressed to him that it didn't have anything that would affect the country, and I wouldn't comment on it."

He added that Kinsel "quit, said he was leaving, resigned from the campaign and I didn't talk to him until after the election."

Norton said, "I remember me talking with Eric Schultzke (a student who wrote about the Snow material) and I said, 'Would you like to get this pushed out a little further.' "

"That was the initial plan," Norton said. "Two nights after that we went to a meeting at her (de Gaston's) house, and we decided that we didn't want to have anything to do with her."

"No, I didn't contact Sheldon," Norton said. "He must of given me a call. I didn't call him."

Kinsel was rehired by Orton in January following the election. He was hired in the same manner that the other office employees were hired; submit a resume, hold an interview, and evaluation.

Orton emphasized that he hired a Republican at the same time that he hired Kinsel.

American Heart Association

Works Great

N000201

9704 383 08/0

FRIDAY, 30 OCTOBER 1992

News tips, ad:

Utah County
Jour
Circulation
Published by Oldha:

Opinion

Letters

Letters don't fit the Bill

Editor:

I am not sure that you will print a pro-Democrat letter, but I feel an obligation to voice my opinion.

I have been watching the 3rd Congressional race in our area for several months. I also read with great interest the inserts in your paper, published in the letters to the editor.

I have watched Bill Orton's office conduct a clean and positively run campaign, which has focused on real issues and genuine caring for the constituents. I feel that we all, regardless of party lines, should be very proud of Bill Orton's record of representing *all* of the people of his district with honor and unyielding dedication.

People who take the time to go to his many town meetings come away with a true understanding of the issues and reasons for his votes on bills in Congress.

With this out of the way, and trying not to be negative, I would like to bring to your attention, all of the negative letters that have been obviously prepared by Mr. Harrington's volunteers and sent to your paper. I have been amazed by the inaccuracy of the contents of these letters. In most cases, they do not even understand the issues or reasons for support or non-support of bills brought before Congress.

Please, Mr. [illegible]rington, let's get back to a positive and issue-related campaign. I would ask that you have your staff do its homework and only send in letters that are factual and true. We citizens of the 3rd District want to do away with negative campaigns.

Thomas H. Bennett
Provo

N000202

9704383081 1

Vote for
Richard Harrington!

An endorsement by the National & Utah Republican Coalitions for Life

UTAH REPUBLICAN COALITION
For Life

ADVISORY BOARD

W. Val Oveson
Lt. Governor

Sen. Arnold Christensen
President of the Senate

Rep. Craig Moody
Speaker of the House

Richard Eyre
Candidate/Governor

Mike Leavitt
Candidate/Governor

Mike Stewart
Candidate/Governor

Donna Dahl
S. L. Co. Rep. Women

Titles for identification only

BOARD OF DIRECTORS

Gayle Ruzicka
President
Utah Eagle Forum

Susan Roylance

Dear Pro-Life Friends:

We are pleased to confirm that Richard Harrington has a 100% rating in response to our Pro-Life survey. Based on this survey and subsequent personal conversations we have had with Mr. Harrington, we are convinced that he is not only personally pro-life, but would be a leader in the Pro-Life movement. He will fight for the right to life for unborn babies.

Richard Harrington has committed to support pro-life leadership in Congress and vigorously lead the opposition against the Freedom of Choice Act being pushed by the Democrat leadership. This Act allows abortion on demand for any reason. He will oppose any pro-abortion legislation.

Phyllis Schlafly, president of the National Republican Coalition for Life joins me in commending Richard Harrington for his strong

N0002O3

9 7 0 4 3 8 3 0 8 1 2

Susan Roylance
Vice President
United Families of Utah

Linda Burton
Public Relations

Sharlene Olander
Treasurer

Dixie Minson
Executive Director

Rosa Goodnight
Right to Life of Utah

Debby Ashman
Christian Action Council

5141 Clover Meadow Dr.
Murray, Utah 84123
(801) 266-0076
266-0343
Utah County: 756-2499
373-0100
Weber County: 773-4358
Logan: 753-8844
Cedar City: 586-7576

for Life joins me in commending Richard Harrington for his strong pro-life position. We urge all of you who support the right to life for the unborn to vote for Richard Harrington.

Sincerely,

Gayle Ruzicka

Gail Ruzicka, President
Utah Republican Coalition for Life

Phyllis Schlafly

Phyllis Schlafly, President
National Republican Coalition for Life

Why does Democrat Bill Orton as our congressman weaken our Pro-Life position ? ?

- Bill Orton publicly stated that he will vote for Bill Clinton for President. Bill Clinton has proclaimed a litmus test that he will appoint no supreme court justice that is not Pro-Abortion.

- Bill Orton voted for Tom Foley as Speaker of the House, the most powerful position in Congress, who has proclaimed that one of the first orders of business of Congress will be to pass the "Freedom of Choice Act" which will legalize abortion on demand for any reason.

This election, vote for someone who supports what you support -- and believes what you believe.

RICHARD HARRINGTON

Paid for by the Richard Harrington for Congress Committee

N000204

9704383083 13

FRIDAY, 30 OCTOBER 1992 UTAH COUNTY 50 CENTS



Journal



SPORTS
CROSS COUNTRY: Mtn. View continues winning ways. A-22

OPINION: Election 92 like Halloween: silly and scary. A-31
BLITZ: Halloween: Things that go oink in the night. A-4
DARK ANGELS A-11
MOVIE REVIEW: Wilderness A-16

ARTS
"HESTER" Critique and drama all in one A-15

Vol. 23, Issue 99

WEATHER

60	52	55
rain	rain	rain
43	41	39

Tuesday looms as a big day to clean House

Jack Sirica
Newsday

WASHINGTON — Never before have so many candidates for Congress been running against Congress.

And not since 1976, when

Bush hitting back at media

■ Some people see media bashing as a way to keep the press honest.

Thomas B. Rosenstiel
The Los Angeles Times

WASHINGTON — At every stop now, an energized George Bush holds up a little red bumper sticker.

"Annoy the Media, Re-elect Bush," it says.

"Harry Truman had it right," Bush said this week, referring to reporters "who were talking the same thing about gloom and doom. He said they wouldn't know enough to pound sand in a rat hole. That's true. And we are going to win the election in spite of these mournful polls."

The crowds go wild. "Tell the truth," they scream.

At Billings, Mont., they began spitting on press photographers. [illegible]

folks. Take it out on those talking heads in the national press that come on and tell us everything that's bad about America."

For some of the members of Bush's team, attacking the press, the pundits and the polls is a way of trying to energize loyal Republicans not to give up on the race. Democrat Michael S. Dukakis did the same thing the last two weeks of the race four years ago. Walter F. Mondale's team did the same eight years ago.

For other Republicans, media bashing is also a way of keeping the press honest — working the referees as it were — to get the benefit of the doubt.

Yet for other members of the Republican campaign, the idea that the press has a bias against the Republican Party has been an article of ideological faith since 1964.

At one point or another this year,



President George Bush

Woodruff had asked similarly harsh questions of Hillary Clinton. The president became so angry at an interview with ABC that he asked for a tape of the network's [illegible]

found that most journalists were liberal in their private beliefs.

But American Enterprise scholar Schneider, who worked on the study, said that it also found that journalists' private beliefs did not sway coverage "in any definitive way."

Democrats such as George S. McGovern, Mondale, Dukakis, Geraldine A. Ferraro and Edward M. Kennedy all suffered relentless press scrutiny despite being Democrats. So did Bill Clinton — scrutiny arguably more intense than any Democratic candidate in history.

In the last week, like other candidates behind in the polls, Bush made trashing the media a staple of his stump speech.

"I love the equity in the news media," he told a crowd in Albuquerque on Monday. "They beat up on Dan Quayle for going into

N000205

Vote for
Richard Harrington!

A Message from
Republicans formerly for Orton

Two years ago, in the Third Congressional District election, this organization was formed in the wake of the mud-bath that destroyed the Republican candidates John Harmer and Karl Snow for the purpose of supporting and electing Bill Orton, whom we wanted to believe was a conservative.

Even as we successfully accomplished our mission, some of us had reservations that we may have "created a monster."

Bill Orton's voting record over the past two years has confirmed our fears. His record irrevocably confirms that he is not a real conservative. He has successfully led the voters to believe that he is conservative with a few "showcase" votes and a lot of political rhetoric. His voting record shows him to be a partisan Democrat who is supported by big labor unions and who votes their agenda.

He has also voted for all the liberal Democratic Congressional leadership along with their ultra-liberal philosophies. He has also publicly stated on KTVX, Rod Decker's "Take Two" program that he will be voting for Bill Clinton for President.

We can no longer tolerate Mr. Orton's deception or support his re-election. We are publicly shifting our support to Republican, Richard Harrington, who we know is a conservative, and for the good of our district, our state and our nation we urge all Third District voters to do the same.

Respectfully,

Mike Schnable, President

Jackie de Gaston, Treasurer

9704383081 4

A spokesman for Republicans FORMERLY for Orton and Utahns for Ethical Government has recently disclosed:

- Bill Orton helped organize Utahns for Ethical Government and then lied about his involvement in the smear campaign that defeated Karl Snow in 1990.
- Bill Orton is being investigated by the Federal Election Commission for violations of regulations in helping to organize and advise these "independent" organizations.
- Bill Orton's law firm had deep ties with the penny stock fraud that was used to smear Karl Snow.

We were deceived once. NEVER AGAIN. N000206

Paid by the Richard Harrington for Congress Committee

N0002O7

The Daily Herald

Wednesday
Oct. 10, 1990

Also in this section:
☐ Obituaries B2
☐ Opinions B6
☐ Lifestyle B7-B8

Local

Text of Bramble report clearing Karl Snow of wrongdoing

INTRODUCTION

During the 1990 political campaign, prior to the primary elections, certain documents were circulated alleging that Utah's Third Congressional Candidate, Karl N. Snow, may have been involved in questionable business and financial transactions with Michael Strand, an individual who had been previously convicted of felonies related to both stock fraud and income tax evasion. These documents were forwarded to an "Independent Attorney's Committee" for review. This committee concluded that, based on the information provided, there was "no indication of any illegal or improper conduct on the part of Mr. Snow."

In recent weeks, there have been several additional documents circulated which have brought new allegations concerning Snow's involvement and business dealings with Michael Strand. On September 25, 1990, the independent accounting firm of Curtis S. Bramble, Certified Public Accountants, was engaged by Karl Snow to look into specific allegations that:

1) Did Karl Snow receive compensation, in the form of stock certificates, in connection with services performed in the Global Oil/Unique Battery reorganization? Specifically, were 100,000 shares of stock in Global Oil/Unique Battery issued to Snow in exchange for his service as an officer and member of the Board of Directors of the newly reorganized company, and, if so, was this compensation properly reported for income tax purposes?

2) Was Karl Snow involved in fraudulent stock transactions with Michael Strand and his companies, including Global Oil, Unique Battery, and Classic Mining? Specifically, was Karl Snow a participant in a "stock fraud manipulation scheme"?

3) Did Karl Snow have income related to his other stock dealings with Michael Strand which were not properly reported for income tax purposes?

4) Was Karl Snow involved in "insider trading" related to his dealings with Michael Strand?

During their investigation of the above stated allegations, Curt Bramble, CPA, and Byron Smith, Michael Strand for assistance in raising the needed capital. According to James Barber, the attorney engaged by Strand and Darger to draft the documents, a plan was conceived whereby Global Oil Company, Inc., (Global) would acquire all of the outstanding shares of stock of Unique in a tax-free reorganization. As part of the proposed reorganization, or merger, outstanding shares of stock in Unique were to have been issued to several individuals in exchange for their involvement in the reorganization.

All outstanding shares of Unique stock were then going to be exchanged for Global stock. Atlas Stock Transfer Corporation (Atlas) was engaged by the parties to facilitate the merger. Certain documents were executed in conjunction with this planned merger, however, as evidenced by Court documents, consumation of the plan never fully materialized.

Ronald Sorth apparently owned the rights to the formula for manufacturing the new battery. It is unclear whether Sorth actually transferred the formula to Unique, however, allegations of impropriety on the part of Global, Unique, and Atlas surfaced, and the various parties entered into litigation.

In two separate causes of action, civil suits were filed in the Third Judicial District Court of Salt Lake County. Global was the plaintiff against Unique (Civil No. C-86-4029), and Atlas was the plaintiff against Global (Civil No. C-88-2116).

While it is beyond the scope of this investigation to reach conclusions as to the nature of the relation between Karl Snow and Michael Strand, it is clear that at some point, late in 1984, or early in 1985, Snow was informed of the new battery system by Strand.

Snow stated that he was keenly interested in the potential of the newly developed battery, and began investigating Unique's investment potential. Snow toured Unique's manufacturing facility and met several of Unique's key people.

During this same period, Snow stated that Strand told him of the proposed plan of reorganization of Unique and Global, and that Strand asked him to serve on the board of another name. There is no evidence to indicate that Snow ever actually received or acknowledged ownership in these shares of stock. Atlas Stock Transfer Company was unable to provide any documentation indicating that Snow actually received the 100,000 shares, nor could Atlas provide any documentation indicating that Snow requested a transfer of the shares. These shares were subsequently transferred to a company known as M & I. Investments.

According to Strand, M & I, referred to Michael, and his wife, Lois Strand. To facilitate transfer of the stock, Strand stated that he "asked Snow to endorse the back of some certificates, and execute several blank 'Stock Powers' for the other certificates." Corroborative statements indicate that, while Snow's signature appears on the stock certificate, or stock power, Snow never performed services for the corporation, nor had he actually received or acknowledged ownership of the stock.

We found no evidence to support allegations that Snow ever participated in the management or operations of either Unique Battery, or Global Oil. The Utah Department of Commerce, Division of Corporations and Commercial Code, in reference to Karl Snow being an officer or member of the board of Global Oil Company stated: "In reviewing the complete file of this corporation the name of KARL N. SNOW does not appear in our records as being an officer, or director, or holding any position related to this corporation at any time."

We found no evidence that Snow was a defendant in any of the suits filed regarling Global, Unique, or Atlas. The reason Snow was not a defendant is addressed in response to an interrogatory filed with the Court, and in a letter, dated February 16, 1988, to Frank Kimball, from Sharmin Dyslin, Global Oil secretary. The letter indicates that on August 28, 1986, there was a recision of the acquisition of Unique Battery Systems by Global Oil Company. The letter also states that the stock in question had been "issued in anticipation of the acquisition," and had been previously surrendered.

Anatomy of a Merger

Key events surrounding the unsuccessful 1985 merger of Unique Battery with Global Oil

Years

1983

December — Unique Battery Incorp'd

1984

January

June — Talks begin about chance of merging Unique with a Strand company. – Darger

Gubernatorial Race

- Snow runs for governor
- GOP Convention
- Marriot/Snow for Lt. Governor
- Bangerter/Oveson win general election

December — Snow visits Unique Battery manufacturing plant with battery's inventor, Ron Sorth

Lapses — Renewed

1985

January — **Unique/Global Merger** — January/February: Snows buys from broker 9,000 shares of Global Oil stock because of pending merger

February

- **Feb. 5** — Merger plan is drafted. Snow signs as "seller" of Unique Battery stock
- **Feb. 15** — Unique Battery stockholders meeting produces list of who in Unique will get how many shares in Global after merger completed. Snow, Lyman Smart and others allocated 100,000 shares in post merger Global
- **Before Feb. 25** — Meeting notice and Unique shareholder vote proxy show polygamist Soren Eskel Peterson lined out and "Karl Snow" written in as third member of proposed post merger board of directors

March

- **Feb. 25** — Minutes show Unique/Global merged, "Carl Snow" shown as board member, this board make-up never registered with state
- **March 26** — Letter drafted telling Battery stockholders of merger. Darger later testifies that Lyman Smart drafted it recently, Strand calls that a lie
- **March 28** — Minutes show post merger Global renamed Unique Industries & "Carl Snow" elected vice president, but Unique Industries never registered with state

April

- **April 26** — Percy Kail visits Strand's office, pays Strand $5/share for 5,000 shares of Global given 2,000 more as bonus

June

- **June** — Snow has walked out because Battery investors include many polygamists

Global Oil (long-standing Strand company)

Bramble, CPA, and Byron Smith, an attorney associated with Mr. Bramble's accounting firm, interviewed several individuals who were personally involved in the Global Oil/Unique Battery dispute. Individuals interviewed included: Karl N. Snow, Third Congressional District candidate; Michael Strand, a key figure in stock transactions related to both Global Oil and Unique Battery; John Darger, who signed several documents as "President" of Unique Battery Systems, Inc.; James Barber, a securities and trial attorney who was apparently engaged by both Michael Strand and John Darger to draft the documents for a proposed acquisition and reorganization of Unique Battery Systems, Inc. by Global Oil, Inc.; Frank Kimball, owner of Atlas Stock Transfer, the stock transfer company involved in actually issuing and recording Global Oil's stock transactions; and the State of Utah, Division of Corporations and Commercial Code.

In addition, Mr. Bramble and [illegible] Smith researched leads on independent sources of documentation, reviewed court records, and reviewed documents provided by Karl Snow, Michael Strand, the Independent Attorney's Committee, Atlas Stock Transfer Company, the Provo Daily Herald, the Utah Department of Commerce, Division of Corporations and Commercial Code, and previously circulated documents from anonymous sources.

BACKGROUND

In 1983, Unique Battery Systems, Inc., (Unique) was formed by John Darger, Ronald Sorth, and Gayle Sorth. The purpose of this corporation was to manufacture and market a new type of battery which had been developed by Ronald Sorth. Manufacturing and marketing this "unique battery" required substantial infusions of capital.

In 1984, John Darger approached asked him to serve on the board of the reorganized Global Oil Company.

From August, 1984, through September, 1985, Snow purchased stock in both Global Oil and Classic Mining, another company Strand was involved in. Records indicate that he purchased 11,000 shares of stock in Global for $19,545, and 360,625 shares of stock in Classic Mining for $33,000.

ANALYSIS AND CONCLUSIONS

ISSUE ONE

Did Karl Snow receive compensation, in the form of stock certificates, in connection with services performed in the Global Oil/Unique Battery reorganization? Specifically, were 100,000 shares of stock in Global Oil/Unique Battery issued to Snow in exchange for his service as an officer and member of the Board of Directors of the newly reorganized company, and, if so, was this compensation properly reported for income tax purposes?

As indicated above, Snow had been asked to serve as a member of the Board of Directors of the reorganized Global Oil Company. In exchange for accepting this position, he was offered 100,000 shares of stock in Unique, which were then to have been exchanged for 100,000 shares of stock in the reorganized Global Oil Company.

In light of his position at Brigham Young University, and after careful consideration, Snow informed those involved that he could not accept the offer.

We have been unable to ascertain whether Unique Battery stock was ever actually issued, however, on June 28, 1985, 100,000 shares of stock in Global were issued in the name of Karl Snow. Once the 100,000 shares were issued in Snow's name, either the shares had to be cancelled by the company, or Snow would have had to endorse the shares to transfer them to surrendered.

We concluded therefore, that the individuals, including Snow, in whose name stock had been issued, but whose shares had been surrendered, were not named as defendants. James Barber indicated that, when the deal between Global and Unique fell through, because they laid no claim to the previously issued stock, nor were they involved with the companies, several individuals, including Snow, were not named as defendants in the ensuing legal battles.

Based on the available documentation, and on responses received in interviews with involved individuals, we have no indication that Snow was involved in any illegal or improper activities. We further conclude that Snow was not an officer or director of either Global or Unique; that Snow did not perform any services for either of these companies; that stock was issued in the name Karl Snow and subsequently transferred; that the transfer of stock from the name Karl Snow has no tax implications for Snow; that Snow did not receive compensation in the form of stock in exchange for any services, and therefore does not have any unreported income for tax purposes.

ISSUE TWO

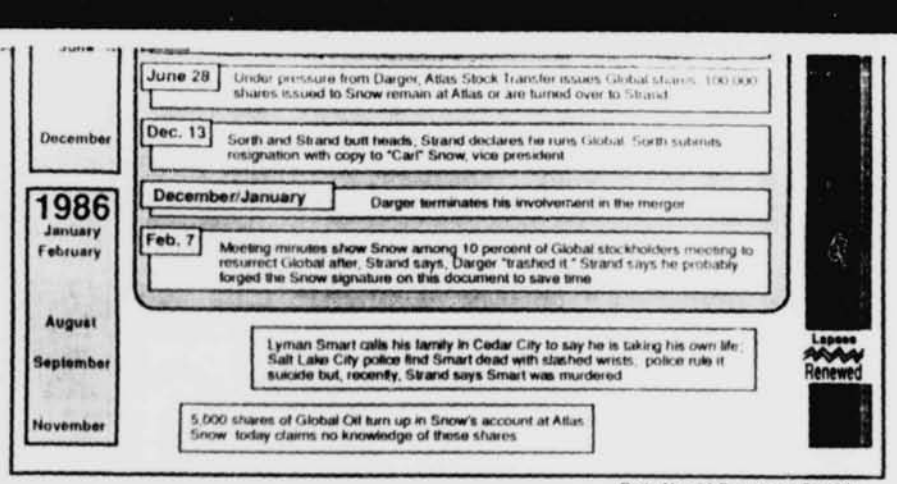
Was Karl Snow involved in fraudulent stock transactions with Michael Strand and his companies, including Global Oil, Unique Battery, and Classic Mining? Specifically, was Karl Snow a participant in a stock fraud manipulation scheme?

As indicated above, Karl Snow purchased certain shares of stock in both Global Oil Company and Classic Mining Company. The shares of stock in Global were purchased through Edward Brown Securities during 1985. Stock in Classic Mining was purchased directly from Michael Strand during 1984.

During our investigation, we discovered additional shares of stock in both Global Oil Company and Classic Mining which were issued in the name of Karl Snow. Specifically, during 1985 and 1986, shares of stock in both Classic Mining and Global Oil Company were issued in the name of Karl Snow. As of the date of this report, 12,500 such shares of Global Oil Company stock and 500,000 such shares of Classic Mining Company stock are still outstanding. Snow indicated that he knew nothing of these additional shares of stock. Atlas Stock Transfer was unable to provide any documentation that Snow actually received the shares in question, nor could they provide any documentation that indicated that Snow requested the stock transferred to other individuals.

To date, we have been unable to locate these shares of stock, however, we are convinced that the stock was transferred into Karl Snow's name without his knowledge. Based on the evidence presented and statements by involved individuals, Snow's name may have been used on a "nominee" without Snow's knowledge. None of the information reviewed or interviews given indicate that Karl Snow was involved in any

(See REPORT, Page B2)



Daily Herald Computer Graphic

A description of the players involved:

Following is a description of the people named in the text of the CPA report on Karl Snow's financial transactions:

John Darger — A marketer and promoter for Unique Battery Systems Inc. He introduced the Unique Battery to Michael Strand through a connection with a Murray banker.

Darger also was the one who suggested that the company go public to gain more funding.

Darger provided documents to attorneys helping the former 3rd District candidate John Harmer.

Believed to be a polygamist.

Ronald Sorth — Inventor of the battery in the Unique Battery Systems, Inc. His invention was to revolutionize the battery industry. Sorth's last known address was in Missouri. Relatives in Missouri said he no longer lives in the area.

Sorth's battery formula was not disputed by any of the people interviewed. It was a "great little battery."

Gayle Sorth — Wife of Ronald Sorth.

Michael Strand — A rodeo rider, stock promoter, convicted stock manipulator and oil businessman.

Strand activated Global Oil Company as a shell company to be acquired by Unique Battery Systems. According to Strand, Global Oil was struggling and in need of a new diversified product to encourage stock sales.

Lyman F. Smart — A former BYU professor and assistant to former Democratic Gov. Cal Rampton. He also worked for Democratic Rep. David S. King, as a legislative assistant.

Smart lived in Provo for a while and served as Karl Snow's LDS bishop.

Smart and Snow became further acquainted when they served together in the state capital.

Smart died of an apparent suicide in September 1986.

Karl Snow — Assistant Vice president and Director of Development and a former Utah State Senator, and a candidate for Governor, he is currently a 3rd Congressional District candidate.

Snow invested in stocks which Strand was promoting. He wrote letters to the U.S. Attorney and testified in Strand's behalf in his tax conviction appeal.

Snow purchased stocks from Strand.

James Barber — An attorney engaged by both Strand and Darger to draft the merger agreement between Global Oil and Unique Battery. Barber also was a defense attorney for Strand, and is listed as the registered agent for Global Oil.

Peter Guyon — Attorney for Unique Battery Systems Inc.

Herb Gleason — An investor in Unique Battery. He introduced John Darger to Percy Kalt.

Was also present when Darger was introduced to Strand.

Gleason's participation is undetermined although he claims he met Snow and Strand together on several occasions.

Delano Findley — An attorney who warned Darger and Gleason not to get involved with Michael Strand. Findley is a former securities investigator for the FSC. He quit after federal authorities would not pursue a conviction on Strand.

Soren Eskel Petersen — Principal investor in the Unique Battery. He may have lost $600,000 investing in the battery. Believed to be polygamist. His family filed suit against Global Oil Company.

Sharmin Dyslin — A secretary hired by Darger and later employeed by Michael Strand.

Frank Kimball — Owner of Atlas Stock Transfer Company.

Mary Clark — a friend of Lyman Smart, and relative to Strand's wife.

Lois Linford Strand — Wife of Michael Strand.

Percy Kalt — a former BYU professor, an investor in Global Oil, lost $25,000 when the Global stock went bad. Kalt later in frustration, tossed fire bombs in 1988 at the home of Michael Strand. Kalt was convicted for the incident.

The truth goes something like this:

Everyone agrees on one thing, it was a good little battery. That's about all they agree on.

The truth is something like this:

In early 1984 Unique Battery comprised inventor Ron Sorth, lawyer Peter Guyon, and money-man John Darger.

Darger recalls, "Ron made the batteries and I was the marketing man." Darger's efforts included drumming up investors. Among them was polygamist patriarch Soren Eskel Peterson, whose $135,000 to $600,000 made him the company's chief backer.

In June 1984, Darger testified later, he met Mike Strand.

Darger testified that Strand said he had several companies that could be used to merge with Unique and take the battery public. Ultimately Strand chose to use Global Oil, a long-standing penny stock company.

Strand and Darger agree that Strand said it would be good for the new company to have someone of Karl Snow's stature on the board. Also Lyman Smart who was a Strand associate, a First Security Bank lobbyist, a former BYU professor, close friend to Snow and Snow's former LDS bishop.

Darger and company arranged for Snow, Smart and some Global officers to appear on paper as holders of Unique Stock. That would allow them to avoid paying taxes when they later got stock in the merged company. Snow was to be a director of the new company. He and 10 others signed the Feb. 5, 1985 merger agreement as "sellers" of Unique's assets.

The merger ostensibly took place at a Feb. 25 meeting at which "Carl Snow" was elected a director of Global Oil which supposedly now included Unique Battery. Darger moved ahead, holding meetings, typing minutes, and announcing himself to Unique's investors as CEO of the new company.

But he missed a beat. No one bothered to file the papers necessary to formalize the changes in Global Oil. One effect of that was that anyone who bought stock in the "new" Global actually got stock in the old Global, which existed unchanged through the merger.

Long-time Strand attorney Jim Barber took $10,000 from Darger to draw up the merger agreement. But he didn't follow up and file the

(See MERGER, Page B2)

N000208

9 1 8:0 4 3 8 3 0 7 9

rest Hill. Lester Hill, both of Gunnison; one sister, Mrs. Virgil (Elda) Christensen, Fayette.

Funeral was Tuesday, in Fayette.

Burial was in Fayette Cemetery, under the direction of Jensen Funeral Home, Salina.

Angelo Serrano

AMERICAN FORK — Angelo Anthony Serrano, 66, died Oct. 6, 1990, in Anaheim, Calif., following a heart attack.



He was born Sept. 22, 1924, in San Francisco, Calif., a son of Emilio and Mary Oddone Serrano. He married Lorraine Camigi. They were later divorced. He married Alouise Torvesen, April 10, 1965, in Reno, Nev. Their marriage was later solemnized in the Oakland LDS Temple.

He was a veteran of World War II, serving on a submarine unit in the U.S. Navy. He retired from the Sheetmeta. Workers of Northern California in October of 1984 after 35 years.

He was a member of The Church of Jesus Christ of Latter-day Saints and had served in the name extraction program at the American Fork Tabernacle.

He loved to hunt and fish.

He is survived by his wife, Highland; three sons and two daughters, Carl Serrano, Daly City, Calif.; Steve Serrano, Moss Beach, Calif.; Ryan Serrano, Highland; Judy Conner, Fullerton, Calif.; Mrs. Anthony (Lehua) Korpacz, Vacaville, Calif.; five grandchildren; one great-grandson; two brothers, Emil Serrano, Gilroy, Calif.; Eugene Serrano, Daly City, Calif. He was preceded in death by his parents.

Funeral will be Friday, 2 p.m. in the Highland 2nd Ward LDS Chapel, 10400 N. Alpine Highway. Friends may call at the Anderson & Sons Mortuary, 49 E. 100 N., American Fork, Thursday 6-8 p.m. and Friday at the church one hour prior to services.

Burial will be in American Fork City Cemetery, with military rites accorded by VFW, District 4.

Wilmer Smith

SALINA — Wilmer Charles Smith, 75, of Centerfield, died Oct. 8, 1990, in Gunnison.

He was born Sept. 11, 1915, in American Fork, to William Clark and Emily Elizabeth Kelly Smith. He married Helena Nielson, July 22, 1938, in Santa Monica, Calif.

He was a manager of the Westwood Hills Press, Westwood, Calif., until he moved to Centerfield in 1945. He owned and operated a welding shop and was also a farmer.

He is survived by his wife, Centerfield; two sons, Charles Kirt Smith, Cedar City; Dr. Kelly William Smith, Salt Lake City; two daughters, Mrs. Guy (Marge) Coates, Gunnison; Mrs. Phillip (Marilou) Davis, West Valley City; 13 grandchildren; a great-grandchild; one suster, Mrs. Harvey (Mary) Nielsen, Los Angeles, Calif.; one brother, Kelly Smith, Santa Monica, Calif.

Funeral will be Friday, noon, in the Centerfield Ward LDS Chapel, where friends may call Thursday 7-9 p.m. and Friday 10:30 to 11:30 prior to services.

Burial will be in Centerfield Cemetery, under the direction of Jensen Funeral Home, Salina.

WALKER MORTUARY
84 E. 400 S. • PROVO • 373-6668

Steven Christopher Davies

Graveside services will be held Thursday 2:30 p.m. in the Orem City Cemetery. Friends may call Thursday 1 to 2 p.m. at the Walker Mortuary of Provo.

Louise Kindred Thatcher Fifield

Funeral services will be held Friday 11 a.m. in the Spring Lake LDS Chapel, 12625 Spring Lake Road. Friends may call at the Walker Mortuary, 587 S. 100 W., Payson, Thursday 6-8 p.m. or at the ward chapel Friday 10 to 10:50 a.m. Interment Springville Evergreen Cemetery.

vies. Maple[illegible] great-grandparents, John Lewis Sr. and Erma Davies, Springville.

Graveside service will be Thursday, 2:30 p.m. in Orem City Cemetery. Friends may call at Walker Mortuary, 85 E. 300 S., Provo, Thursday 1-2 p.m.

Louise Fifield

PAYSON — Louise Kindred Thatcher Fifield, 76 of Spring Lake, died Oct. 8, 1990, at her home.



She was born April 16, 1914, in Springville, a daughter of John Reuben and Mable Mower Kindred. She married Leonard J. Thatcher in January 1935, in the Salt Lake LDS Temple. He died in 1939. She married Albert Earl Fifield, March 12, 1941, in Preston, Idaho. He died in 1984.

She was educated in Springville schools, graduating from Springville High School. She attended Brigham Young University, majoring in home economics. She made the American flag that Admiral Bird took with him on his exploration to the South Pole. She has been a seamstress for many years.

She has lived in California and Hawaii and returned to Utah 16 years ago.

She was an active member of The Church of Jesus Christ of Latter-day Saints, having served in presidencies of the Relief Society, Primary and Mutual organizations. She had served as an ordinance worker in the Hawaii and Provo LDS Temples. She served a mission with her husband in the Baton Rouge, La., Mission.

She is survived by four daughters and two sons, Mrs. Clyde (Kaye) Westwood, Salem; Mrs. Richard (Mary Lynn) Powell, Bishop, Calif.; John Earl Fifield, Key Largo, Fla.; Mrs. David (Sue Ann) Acosta, Garden Grove, Calif.; Mrs. Paul W. (Nora Louise) Payne, Rush Valley; and Dr. Fred William (Bill) Fifield of Chino, Calif.; two step-daughters, Mrs. Dwight (Lola) Stapley, Garden Grove, Calif.; Mrs. Don (Joyce) Kent, Malad, Idaho; 26 grandchildren; 30 great-grandchildren; one brother and two sisters, Ted Kindred, Tujunga, Calif.; Marie Webster, Rexburg, Idaho; Beth Nelson, Twin Falls, Idaho. A step-son, DeLaun Fifield, and three brothers preceded her in death.

Funeral will be Friday, 11 a.m. in the Spring Lake Ward LDS Chapel, 12625 Spring Lake Rd. Friends may call at Walker Mortuary, 587 S. 100 W., Payson, Thursday, 6-8 p.m. or at the church Friday, 10-10:50 a.m.

Burial will be in Springville Evergreen Cemetery.

Death notices

Bert Kimball Bullock, 82, of Provo, died Oct. 9, 1990. Funeral is pending and will be announced by Berg Mortuary.

Hal Bert Foutz, 63, of Pleasant Grove, died Oct. 9, 1990. Funeral is pending and will be announced by Berg Mortuary.

Elizabeth Ann Zabler Good, 68, of Orem, died Oct. 8, 1990, in American Fork. Funeral will be Thursday, 11 a.m. in the Canyon View LDS Stake Center, 575 E. 800 N., Orem. Friends may call at Berg Mortuary, 185 E. Center, Provo, tonight 6-8 p.m. or at the church Thursday one hour prior to services. Burial Orem City Cemetery.

Don Brimley, 67, of Pleasant Grove, serving an LDS Mission in England, died Wednesday, Oct. 10, 1990, of a heart attack. Funeral is pending and will be announced by Olpin Family Mortuary, Pleasant Grove.

Sundberg Olpin MORTUARY
495 So. State, Orem, 225-1530

Samie J. Kerans

Graveside services will be held Thursday 10 a.m. in the East Lawn Memorial Hills Cemetery, Provo. Friends may call Wednesday 6-8 p.m. at the Sundberg-Olpin Mortuary, 495 S. State, Orem.

[illegible] regular monthly meeting Tuesday, approved the 1991-92 school calendar which includes starting school one day sooner next year than this year but ending class work on May 22, 1992.

Board President David Weight said only boundary changes draws more criticism from patrons than does the calendar.

The calendar was based on a survey conducted last year to determine what parents, teachers and staff members preferred. That survey will be used another year to set a calendar and then a new survey will be conducted, said Noal Greenwood, administrative assist-

[illegible] eliminating the traditional fall [illegible] that was scheduled for the [illegible] hunt.

Classes for the traditional year will begin Aug. 19, 1991. The Thanksgiving break will include the Wednesday before Thanksgiving as well as the Friday following. Students will be out for Christmas from Dec. 21, 1991, through Jan. 1, 1992. Spring break will run Thursday through Monday, April 16-20.

Students will also be out for Labor Day, Utah Education Association convention (two days), Civil Rights Day, President's Day and two professional development days for teachers.

next month. The board approved $25,372 for the purchase of a computerized mill and other materials for each of the two major high schools for use in the drafting department.

The board also reviewed the district's policy on allowing the Provo Education Association to use teachers' boxes to distribute information. That policy was questioned last month by the husband of a teacher who was unhappy the PEA took a political stand on several candidates before the primary election and asked teachers, through a memo in each teacher's box, to support certain candidates.

Fire Prevention Week open house slated

By ANTON GARRITY
Herald Staff Writer

An open house, to help celebrate Fire Prevention Week, is scheduled for Thursday night at the Provo Fire Department.

The open house will be held at Station One, 80 S. 300 West. The Orem City Fire Department is also celebrating Fire Prevention Week, but their special programs will be going for most of October, said Orem Fire Marshal Larry L. Ballard.

Part of the entertainment Thursday night will be provided by Provo's own Hook and Ladder team of education specialists. These are clowns who not only go to all the elementary schools in Provo each school year, but they are asked to make appearances in other cities throughout the western United States, said Provo assistant fire chief, Rod Jones.

The open house starts at 4 p.m.

There will be a snorkel truck, a ladder truck, the Hazmat (hazardous materials) van, and an ambulance set up for tours.

At 6 p.m. there will be an extrication demonstration. An old car will be used to demonstrate how individuals are freed from wrecked vehicles, said Jones.

The Orem Fire Department will be presenting Learn Not To Burn material all month at the city's elementary schools.

MERGER:

(Continued from Page B1)

merger with the state. Barber told the Herald that task was not part of what he was paid to do.

Strand, asked about the failure to register the "Global" with the state, shrugs it off. "What," he asks, "can you expect from people who attend meetings in overalls?" Sometime, apparently about May, Snow learned that Darger and many Unique investors were polygamists. That fact alone, he says today, caused him to wash his hands of the whole deal.

Darger plowed ahead, CEO of a company that did not exist. "There I was," he told the Herald, "CEO of the company and they wouldn't issue the new stock without first calling Strand."

In June, Darger prevailed on Atlas Stock Transfer to issue the shares in the "Global" due to investors in the old Unique. Among the shares issued in June were 100,000 in the name of Karl Snow. These apparently never got out of the safe at Atlas.

At a December meeting, Sorth and Strand got into a fight. Strand lowered the boom. "You don't control this company, I do," he allegedly told Sorth. The father of Unique Battery walked out. On Dec. 13 he typed up a resignation with a copy to Darger, a copy to "Carl Snow, VP," and copies to other officers in the failed merger.

Unique Battery was gone, a straw in the penny stocks wind.

REPORT:

(Continued from Page B1)

form of illegal stock manipulation.

ISSUE THREE

Did Karl Snow have income related to his other stock dealings with Michael Strand which were not properly reported for income tax purposes?

As indicated above, between August, 1984 and September, 1985, Snow purchased 11,000 shares of stock in Global Oil Company, for $19,545, and 360,625 shares of stock in Classic Mining, for $33,000. On November 30, 1987, Snow sold 2,000 shares of Global Oil Campany stock for $2,500. These shares had been purchased on September 26 1985, for $4,136.

On his 1987 income tax return, Snow properly reported the loss of $1,636 as a long term capital loss. In 1989, Snow determined that the remaining shares of stock in Global Oil Company were no longer being traded, and that the remaining shares he held were worthless. Based on these facts, Snow properly reported $15,409 as a long term capital loss in 1989, the year they became worthless. Karl Snow still holds his original shares of Classic Mining stock, and has had no taxable transactions relative to these shares.

Based on the available documentation, and on responses received in interviews with several individuals, we have no indication that Snow was involved in any taxable stock transactions other than those identified above.

We have no indication of any unreported income, or any illegal or improper activities related to Snow's stock dealings. Further, we conclude that Snow lost money on his investments with Global Oil Company and he may yet lose his investment in Classic Mining stock, but in any event, he properly reported all stock transactions for income tax purposes.

ISSUE FOUR

Was Karl Snow involved in "insider trading" related to his dealings with Michael Strand?

At the time Snow was given information concerning the proposed [illegible]quisition of Unique Battery Systems, Inc., by Global Oil Company, it is apparent that several people knew of the merger. Court documents indicate that several individuals may have actually invested in Unique in anticipation of the pending merger. Many of these individuals were apparently investing in the company several months prior to the date of the proposed plan of reorganization. Involved parties were actively soliciting funds in anticipation of the merger.

For example, in an affidavit submitted to the Court, John Darger indicated that in August, 1984, he was discussing the potential investment opportunity with one Kerri Ransdell and her family. Darger specifically indicated that the investment would be made in a "public company which would acquire Unique Battery." Ransdell apparently invested in Unique Battery based on Darger's representations of the acquisition of Unique Battery by Global Oil.

This and other documents indicate that knowledge of the proposed merger was effectively public knowledge at the time Snow purchased stock in Global Oil Company. We have no indication that Snow was in a position to have "insider" information, nor is there any evidence that he may have profited by such information. We further conclude that there is no indication of any illegal or improper conduct on the part of Snow in either his investigation of Unique Battery Systems, Inc., prior to purchasing stock, or in his purchase of stock in Global Oil Company.

CONCLUSIONS

The disputes between Global Oil Company, Inc., Unique Battery Systems, Inc., and Atlas Stock Transfer Corporation are rather complex. However, based on review of all documents obtained, and through interviews with individuals on all sides of the litigation, we have concluded that Karl Snow was not a participant in, nor did he acknowledge an ownership interest in Global Oil Company, other than through the 11,000 shares of stock which he had purchased through a broker. It is also apparent that Karl Snow's name was used without his knowledge. There is no indication of any illegal or improper conduct, nor was there any failure to properly report taxable transactions by Karl Snow of which we became aware of during our investigation.

Respectfully submitted:
Curtis S. Bramble
Certified Public Accountants


ROHBOCK'S FUNERAL FLOWERS
1042 S. State St., Orem
225-3100

PROVO FLORAL
"Our Flowers Say What The Heart Whispers"
197 North 500 West
Provo 373-7001

N000209

Inside Today:
Am. Fork told to look at possible results of removing food tax
Page B1

World
Saddam seeks Kurd support
Page A4

Lifestyle
Battering causes homelessness
Page B5

Sports
Holyfield KOs 'Buster' Douglas
Page C1

The Daily Herald

Friday, October 26, 1990 — Central Utah's Newspaper for 116 Years — Issue No. 87, Provo, Utah — 50 Cents

Medicaid issue last one remaining in budget talks

WASHINGTON (AP) — Congressional negotiators inched toward final approval of a deficit-reduction plan today as the chairmen of two tax-writing committees agreed on most elements of a $250 billion package of tax increases and spending cuts, staff members said.

The only remaining issue in the plan was how to restrain spending for Medicaid health services for low-income Americans.

Spokesmen for Rep. Dan Rostenkowski, D-Ill., chairman of the House Ways and Means Committee, and Sen. Lloyd Bentsen, D-Texas, who heads the Senate Finance Committee, said details of the final agreement would be announced later in the morning.

The plan includes increases in consumer taxes on gasoline, tobacco, alcoholic beverages and luxuries. It carries a considerable tax increase on upper-income Americans. Medicare recipients would foot $10 billion more of their own health costs under the bill.

The deficit-reduction package was one of the last major items of business for a fractious, wearying congressional session that extended several weeks beyond expectations. "I think this session has gone on long enough," said Senate Majority Leader George Mitchell, D-Maine.

The House Ways and Means Committee and the Senate Finance Committee arranged meetings later in the day to give their approval to the package. That would open the way for Congress to get the bill to President Bush's desk by Sunday.

Although there was stiff opposition to the bill from many lawmakers in both parties, House Democratic and Republican leaders predicted its passage. White House Chief of Staff John Sununu said Bush considered the plan "real and credible."

"I haven't been working on this for so long to have something go down," said House Minority Leader Robert Michel, R-Ill.

In other action as Congress pushes toward the end of it its long election-year session:

• The House gave voice-vote approval to a $268 billion defense spending bill, while the Senate planned to vote today on that measure and the companion military authorization bill. The spending bill is a cut of $19 billion from Bush's initial proposal in January. It slashes the president's request for the Strategic Defense Initiative and barely keeps alive the B-2 stealth bomber program.

• The Senate voted 60-36 Thursday to send Bush the 1990 farm bill, passed by the House two days earlier. The president is expected to sign the five-year, $40.8 billion measure, which sets new environ-

(See BUDGET, Page A2)

Snow tries to tie Orton to Norton

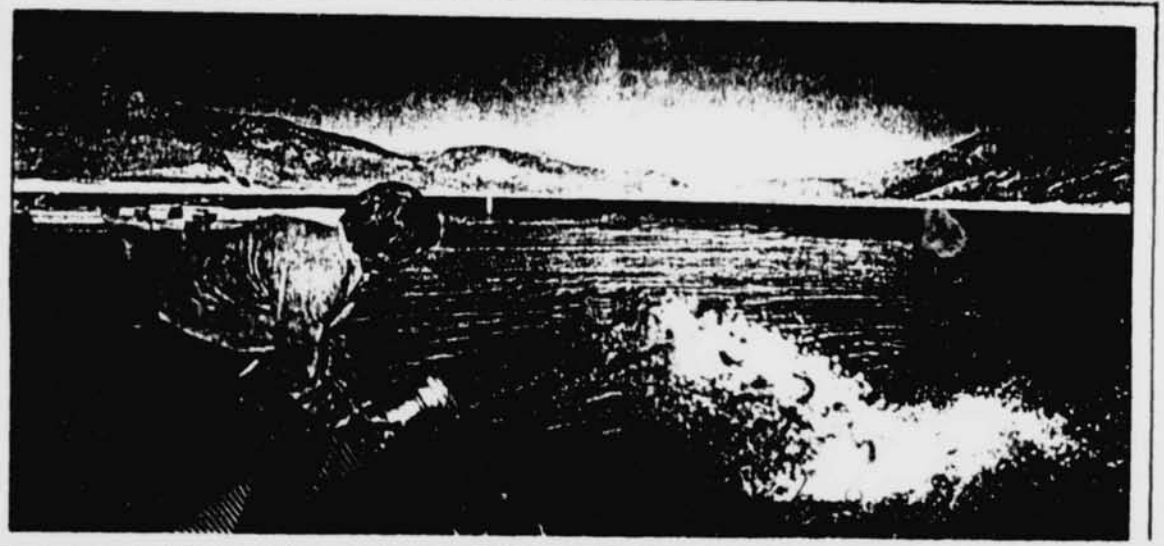
He labels them 'Bobbsey Twins'

By PATRICK CHRISTIAN
Herald Staff Writer

SALT LAKE CITY — Republican congressional aspirant Karl Snow tried again Thursday to link Snow critical Utahns for Ethical Government to Bill Orton, Snow's Democratic opponent.

During a noon debate at the Hinkley Institute at the University of Utah, Snow said Utahns for Ethical Government spokesman Scott Norton and Orton were college chums.

Snow sparked audience laughter



Quayle to visit Provo

Vice President Dan Quayle will be stopping in Provo on Thursday for campaign [illegible] Congressional District [illegible]

[illegible] campaign spokesman [illegible]

N000210

final approval of a deficit-reduction plan today as the chairmen of two tax-writing committees agreed on most elements of a $250 billion package of tax increases and spending cuts, staff members said.

The only remaining issue in the plan was how to restrain spending for Medicaid health services for low-income Americans.

Spokesmen for Rep. Dan Rostenkowski, D-Ill., chairman of the House Ways and Means Committee, and Sen. Lloyd Bentsen, D-Texas, who chairs the Senate Finance Committee, said details of the final agreement would be announced later in the morning.

The plan includes increases in consumer taxes on gasoline, tobacco, alcoholic beverages and luxuries. It carries a considerable tax increase on upper-income Americans. Medicare recipients would

The deficit-reduction package was one of the last major items of business for a fractious, wearying congressional session that extended several weeks beyond expectations.

"I think this session has gone on long enough," said Senate Majority Leader George Mitchell, D-Maine.

The House Ways and Means Committee and the Senate Finance Committee arranged meetings [illegible] the way for Congress to get the bill to President Bush's desk by Sunday.

Although there was stiff opposition to the bill from many lawmakers in both parties, House Democratic and Republican leaders predicted its passage. White House Chief of Staff John Sununu said Bush considered the plan "real and credible."

down," said House Minority Leader Robert Michel, R-Ill.

In other action as Congress pushes toward the end of it its long election-year session:

• The House gave voice-vote approval to a $268 billion defense spending bill, while the Senate planned to vote today on that measure and the companion military authorization bill. The spending bill

Snow tries to tie Orton to Norton

He labels them 'Bobbsey Twins'

By PATRICK CHRISTIAN
Herald Staff Writer

SALT LAKE CITY — Republican congressional aspirant Karl Snow tried again Thursday to link Snow-critical Utahns for Ethical Government to Bill Orton, Snow's Democratic opponent.

During a noon debate at the Hinkley Institute at the University of Utah, Snow said Utahns for Ethical Government spokesman Scott Norton and Orton were college chums.

Snow sparked audience laughter when he said — "In school they were known as Norton and Orton, the Bobbsey Twins."

Orton told those at the Hinckley debate that he was never a friend of Norton. He said he was in the bishopric of a Brigham Young University attended by Norton's girlfriend and frequented by Norton. But he said they were not friends.

After the debate, he told The Daily Herald, "Norton and Orton, the Bobbsey Twins," was a phrase he heard for the first time from Snow during the Hinckley debate.

Both candidates had a full day of campaigning.

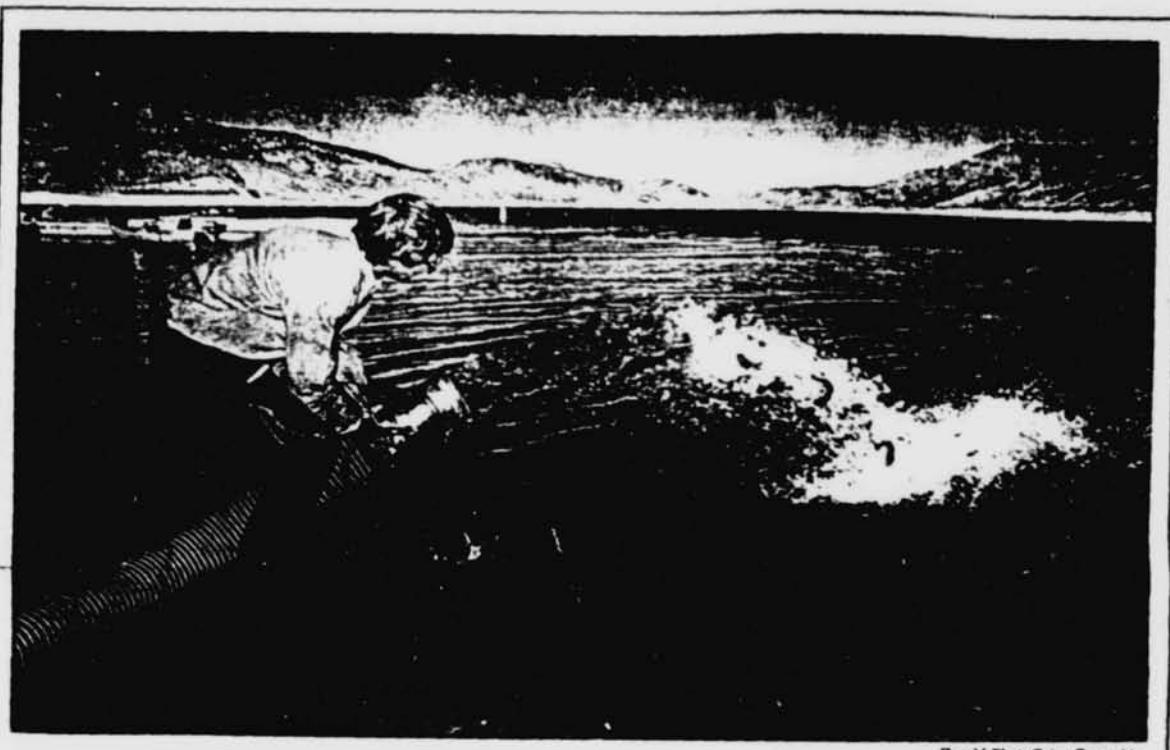
For Orton, it began Thursday morning in the Salt Lake County Commission Chambers — speaking to the Women's State Legislative Council.

Orton told the women he wasn't a politician and criticized politicians for "thinking in 10-second time bites, because that's what gets you on television."

Orton said he liked Snow and didn't want to say anything negative about him. But Orton said he would offer a Snow quote — "I would go (to Washington) with no agenda."

Orton said, "I have an agenda. I

(See DEBATES, Page A2)



Herald Photo/Brian Tregaskis

Charlie Thompson, a Division of Wildlife Resources fisheries biologist, releases thousands of trout into Deer Creek Thursday.

DWR stocking Deer Creek with trout

By ROD COLLETT
Associate Sports Editor

Name a popular game fish and Deer Creek Reservoir probably has it.

It's having too many of one particular kind of fish that worries the Division of Wildlife Resources (DWR).

Now, to counter a growing influx of voracious walleye, the DWR has begun the first of five trout plants at Deer Creek that is expected to boost the rainbow population by 17,000, according to Charlie Thompson, chief fisheries biologist for the Central Region.

The stocking began Thursday with 4,500 trout coming from Jones Hollow federal hatchery near Vernal. The stocking will end sometime next week after a small load of trout will be dropped from the Mountain Dell state hatchery.

While trout are the game and walleye are big games, Thompson says many anglers are having difficulty distinguishing between yellow perch and smallmouth bass introduced four years ago.

Maybe some people are not aware they (smallmouth) are there," he said. "Smallmouth must be 12 inches before you keep them. Yellow perch are not similar to smallmouth which are brown in coloring.

Smallmouth are showing up with more frequency. It's the direction we want to go. We are worried about walleye and their impact on the trout fishery. When walleye and smallmouth are together they are compatible. We put smallmouth in four years ago and we feel they'll begin to spawn next spring."

Currently, Deer Creek offers rainbow trout, walleye, smallmouth, yellow perch and brown trout for the dedicated angler.

"Rainbows are still the bread and butter fish of Deer Creek. Fishing is real good right now with most of the rainbows 15- to 18-inches."

Pons finally agrees to appear for cold fusion review

SALT LAKE CITY (AP) — A scientist who pioneered Utah's cold fusion research and dropped out of contact before skipping a state oversight committee meeting belatedly agreed to meet with the panel early next month.

Members of the Fusion Energy Advisory Council on Thursday voted to try to force electrochemist B. Stanley Pons to appear for the Nov. 7 review. Minutes later, Pons agreed in a telephone call to show up.

"I told him he was wanted that it was necessary," Chief Deputy Attorney General Joe Teach told the council. "Stan Pons committed he would be here on Nov. 7."

The telephone call arranged by Pons' attorney appeased [illegible] the panel's irritation with Pons and Pons' colleague Martin Fleischmann for missing the meeting and being virtually unreachable except through their lawyer.

"We are perfectly willing to hold the week, but we do expect an explanation," said Raymond Hix, the council's chairman. "We must know what we are getting for the money."

The advisory council oversees the state's interest in the research. The Legislature appropriated $5 million following the electrochemists' March 1989 announcement that they had achieved a fusion reaction in a tabletop experiment at room temperature.

If true, the achievement could prove a cheap solution to energy sources. But most scientists remain skeptical. Fritz Will, director of the National Cold Fusion Institute, told the panel in an overview of the institute's research.

Will said dozens of scientists around the world have reported

(See FUSION, Page A2)

GOP candidates at top of ballot in county

By JOSEPHINE ZIMMERMAN
And KAYLENE NELSON
Herald Staff Writers

Some Utah County candidates are angry that the county clerk's office has abandoned the traditional practice of listing names on the ballot in alphabetical order.

Bruce Peacock, county clerk/auditor, said state statute does not require alphabetical listing and said he was sure the practice had

American Party candidates, Independent, Libertarian and Socialist Worker.

Candidates traditionally have believed that placement at the top of the ballot was an advantage.

Kenneth "Doc" Creer, a Democrat seeking the District 65 seat in the House, said the situation is just one more reason reform needs to take place in campaign laws.

He said he can understand why

Related story, B1

One opponent, Republican Brent Haymond, whose name appears first, said he isn't concerned about the matter. "I'm sure people are smarter than to walk in and vote for whoever's first."

Besides, at the debates, Hay-

[illegible] Her main concern, however, is that the printing is so small, many older people cannot read the ballot.

Nina Reid, the Republican recorder candidate, said she had never thought about having an advantage by being first on the ballot. "It's too bad if people vote that way. You'd hope they'd vote with informed reason."

She said randomly pulling names

Index

Find it

Arts/Entertainment	B7-B8
Classified Ads	C7-D7
Comics	C8
Crossword	D1
Horoscope	B4
Legal Notices	C7
Movies	B7-B8

N000211

N000212

People

thor praises Nobel winner

UAN, Puerto Rico (AP) ian writer Mario Var- a, whose novel "Aunt the Scriptwriter" has me a Hollywood movie, proud the Nobel Prize ature went to Mexican vio Paz.

ik Octavio Paz is a et, one of the greatest als of our time," Var- a said in an interview al television. "So it very proud as a Latin that the prize went to az."

Llosa, 54, was visiting ico for the CinemaFest tival which opened night with the movie Tomorrow" based on Julia."

Llosa made an un- bid for the presidency of Peru in June, losing in an upset to maverick candidate Alberto Fujimori. Vargas Llosa said Thursday he had no further political plans and would dedicate his life to literature.

Vargas Llosa said he loved "Tune in Tomorrow," starring Peter Falk and Barbara Hershey, although the film adaptation did not follow to the letter his novel about a young man who falls in love with an older woman, the sister of his uncle's wife.

"Movies are another medium of expression," he said. "The novel is the written word and films are images."

Another Vargas Llosa novel dealing with an affair between a young man and a relative, the erotic "In Praise of the Stepmother," was published in English this fall.

ywood politics in full swing

NGELES (AP) — Re- enlisted Bart Simpson his permission, Chevy ided $50,000 to Dianne 's campaign and Ange- ury was lambasted for ics called "Distortions, e."

nts, camera and politi- s in Hollywood, where olden "words from a can speak decibels nan dozens of stump by politicians.

and television stars are behind gubernatorial s from both parties, as well as Big Green, a sweeping state environmental initiative.

"There are many entertainers who by their past work have become trusted by the public, and for them to research and then support an issue like Big Green helps us spread the word," said initiative spokesman Duane Peterson.

As the political free-for-all nears its Nov. 6 election day conclusion, one cartoon celebrity found himself backing a cause he didn't embrace and a highly regarded TV star opposed a pair of measures she didn't fully understand.

DEBATES:

(Continued from Page A1)

have a platform."

Snow's wife Donna represented Snow to the women's group, saying her husband was elsewhere.

Mrs. Snow pointed out her husband's 12 years of experience in the state Legislature and noted he had worked with the Women's State Legislative Council in the past.

Snow arrived 11 minutes late for the University of Utah debate.

While waiting, Orton suggested to Hinckley Institute Chairman Ted Wilson that he should begin his opening statements without Snow being present.

"I want Karl to be here," said Wilson.

"I don't think he listens anyway," joked Orton.

The two candidates also had a joint radio appearance and a joint television appearance Thursday.

Snow told those at the Hinckley Institute his academic prowess was in the field of public administration and budgetary systems. He said his legislative experience would allow him to "hit the ground running" in Washington.

"Many wonder when you hit the ground, which way you will be going," said Orton.

Orton repeated his 10-second sound bite criticism and Snow said Orton also spoke in 10-second sound bites.

Orton took issue with alleged Snow statements that every county officer in the 3rd District supports him. Orton said that isn't the truth.

Snow told those at the university that he did have an agenda and said he has already been asked to join the tax-advisory Grace Commission if elected to congress.

"Apparently, he has found an agenda said Orton. He said that in earlier joint political events, Snow had announced that he would go to Washington without an agenda and just listen.

At all four of Thursday's 3rd District campaign events, the federal budget and deficit was a key issue.

Snow said he differed from Orton because his budget proposals called for no new taxes.

Orton suggested a three-point approach of budget process reform, spending cuts and tax reforms, including a new federal transfer tax to retire the federal deficit.

Snow said he would freeze spending, increase the federal budget 4 percent instead of the usual 10 percent, and allow growth and the budget reduction to pay off the federal debt within seven years.

Orton called Snow's plan an idea of the 1980s — basically David Stockman's trickle-down concept.

Snow said it wasn't the same idea as Stockman's and was a new concept supported by the congressional budget office.

"You don't have to tax," Snow said. "You just have to stop spending more than is coming in.

He called Orton's transfer tax inflationary.

Orton said part of Snow's budget plan would eliminate cost of living allowances in programs for the elderly.

"I never said I won't support COLAs," said Snow. He said his approach for such programs would be to cut spending and not to eliminate cost of living allowances.

"There was much of good" in the civil rights bill vetoed by Bush, said Snow. But he added that "there were plenty of reasons to veto it" too.

He said it would have changed the burdon of proof on job discrimination suits from the employee to the employer, and Snow said that was not good.

Orton agreed with problem of changing the burdon of proof. But he said in balance it should have passed. He said he would have voted for it and to override the veto.

On the saving and loan crisis, Orton said it doesn't help to point fingers of blame and said the system needs overhauling.

Snow said the crisis was caused by deregulation and increasing the federal insurance rates for federally insured programs. He said at least 100 other programs insured by the federal government could end up costing taxpayers $14 billion. He said federal regulation must be reinstated.

Both candidates said they support the clean air bill.

"We only have one earth," said Orton. He said he is in favor of "holding polluters' feet to the fire, and believes it could be done without losing jobs.

Snow said Geneva Steel has made a good-faith effort to meet clean air standards, and he said he supported new standards that will add about $175 to each new automobile. "That's a small price to pay," he said.

Snow also said he would be willing to consider a light rail public transportaton system for Utah.

Both candidate's personal pasts were questioned.

Orton was asked about delinquent taxes. He said they stemmed from a dispute he has with the state. Orton indicated that he has appealed and has met every requirement of the state.

Snow said allegations from Utahns for Ethical Government and others relating to allegations of involvement with convicted felon Michael Strand and Global Oil/Unique Battery have been reviewed extensively and he has been cleared of prongdoing by four attorneys and a certified public accountant.

Orton said he would not criticize Snow over the Republican's past, but he said there are some unanswered questions. He called the independent CPA audit not independent since it was prepared by a Snow supporter.

U.S.:

(Continued from Page A1)

some of which may come from U.S. bases in Germany that are scheduled to close, will give U.S. military authorities more leverage in dealing with Iraq's huge army, which includes an estimated 3,500 tanks in Kuwait.

"Our decision to add forces results from Iraq's almost doubling of forces in Kuwait and southern Iraq from approximately 265,000 in early September to about 430,000 today," the Pentagon said in a statement released after Cheney disclosed the decision in television interviews.

Iraqi President "Saddam Hussein continues to fortify his positions in Kuwait and southern Iraq and continues to accumulate significant forces that could, conceivably, go south," the statement said.

Cheney also said the Pentagon was planning to send fresh troops to the Saudi desert to replace units due for rotation back to their home stations. He said final decisions were pending on which units to rotate and in what order.

On Capitol Hill, Rep. Les Aspin, chairman of the House Armed Services Committee, said the U.S. force in Saudi Arabia appeared ill-fitted for the Bush administration's stated aims.

"It's the wrong size force," the Wisconsin Democrat said. "It's too big to stay there and too small to attack."

Echoing Cheney's remarks, CIA Director William Webster said Thursday that Saddam was greatly improving the quality of his defenses in Kuwait, making any U.S. offensive operation more problematic and costly.

Pentagon spokesman Pete Williams told reporters the Iraqi occupation forces were fortifying their positions by digging anti-tank ditches, laying mines and building berms, or earthen walls, to protect and hide their armor. He said they also were building roads to allow for quick reinforcements.

"While the Iraqis have dug in, that is an indication to our analysts not that they have lost the capability to go on the offensive but rather that they don't show any sign of letting go of Kuwait," Williams said.

FUSI(

(Continued fro

achieving similar r experiments contin excess heat and ot sion indicators.

He declined to dis ic experiments bein and Fleischmann.

Fusion is the proc the sun, stars and h It is achieved when fuse and release la energy. The proce quires millions of d to get started.

The panel's unan to ask University of Chase Peterson to on Pons to attend out of its frustration plained absence.

The pair's attor Triggs, told Teach t were reluctant to ap because of a pate they were preparing

Hixson said that faulty because the any patents produ work and panel sworn to secrecy.

Fleischmann, re home in Tisbury, Er had not learned o meeting until a journ late Wednesday.

Will said he had fa Fleischmann more ago and later teleph tist's office, only to unavailable.

"We have attempt two present during review in October. dantly explained, th gorically refused," W the meeting.

Triggs said Pons mann had explained out of the country du

The attorney wo where Pons had gone teacher of his you Wednesday the famil they would be in F year or two."

Pons has applied f sabbatical. Peterson quest would be ha Chemistry Departmer once chaired.

WARNI

*LDS missionarie gunned in Bolivi

*LDS chapels bon

*LDS church ban

Is there a planned

write: LDSM&A P.O. Box 1 Provo, UT

DGET:

ed from Page A1)

for farmers, sets gov- trition programs, in- stamps, and aims to sidized acreage for 5 percent.

and Senate sponsors agreement on a new program of child care states, as the center- ong-debated child care ces remain over some luding an expansion of r low-income families. se approved by voice billion housing bill, 7.5 billion this fiscal .9 billion in fiscal 1992.

sive deficit-reduction product of half a year prawling and interminations — would affect mericans.

e 5-cent-a-gallon feder- tax by about a nickel es levies on alcohol, jewelry as well.

- from 28 percent to 31 he income-tax rate on Americans, but drops d by the upper-middle percent to 31 percent. also reduces the de- ilable to people earn- n $100,000 yearly by 3 phases out their $2,050 mptions.

ls were subject to e negotiations.

s agreed informally to slow the growth of nefits by $10 billion officials said.

e matched a House was about $7 billion e reductions the Sen- . Medicare helps pay for about 33 million tabled people

$75 annual deductible paid by beneficiaries would increase to $100. The monthly premium — $28.60 this year — would grow gradually to $46.20 by 1995.

Disagreement remained over the exact size and nature of cuts in Medicare reimbursements to doctors and hospitals. Those reductions were expected to total about $33 billion over the next five years.

The plan cuts student loans, farm aid and other benefit programs.

Final agreements were being sought over Medicaid, which helps the poor pay medical bills. Although the program will be cut, liberals wanted to provide an additional $2.9 billion for low-income elderly people. The Bush administration was trying to reduce that figure.

Also under negotiation were $2.5 billion worth of tax breaks for the oil and gas industry, championed by Senate Finance Committee Chairman Lloyd Bentsen, D-Texas. The Senate also wanted $5.6 billion worth of tax breaks for businesses, including those doing research, and individuals, for items such as employer-provided educational benefits.

With Election Day approaching, members were getting itchy to halt the budget bickering and return home for campaigning.

If the leaders were reading their votes correctly, the House and Senate — where few problems were expected — would dispose of the bill quickly and let Congress adjourn for the year over the weekend.

Michel expected only about 50 of the House's 175 Republicans to vote for the plan, mainly because of disgruntlement over its approximately $150 billion in new taxes and spending cuts considered by some as insufficient. But a GOP pep rally for the plan on Capitol Hill, attended by Sununu and budg-



Haaga's

Geneva Steel $2.00 BILLS WELCOME HERE!!

TAKE ADVANTAGE OF OUR STOREWIDE CLEARANCE SALE!!

IN-ST SPEC FOR BILL HO

THRU SATURDAY, OCT. 27, 1990 ONLY!! 10AM-6PM!!

• NO INTEREST FOR 3 MONTHS • NO PAYMENT FOR 3 MONTHS • NO DOWN PAYMENT O.A.C

MATTRESS SALE

PILLOW TOPS | EXTRA FIRM

DAYBED

The Daily Herald

, 1990 Central Utah's Newspaper for 116 Years — Issue No. 87, Provo, Utah N000213 50 Cents

id issue last one remaining in budget talks

kowski, D-Ill., chairman of the House Ways and Means Committee, and Sen. Lloyd Bentsen, D-Texas, who heads the Senate Finance Committee, said details of the final agreement would be announced later in the morning.

The plan includes increases in consumer taxes on gasoline, tobacco, alcoholic beverages and luxuries. It carries a considerable tax increase on upper-income Americans. Medicare recipients would foot $10 billion more of their own health costs under the bill.

The deficit-reduction package was one of the last major items of business for a fractious, wearying congressional session that extended several weeks beyond expectations. "I think this session has gone on long enough," said Senate Majority Leader George Mitchell, D-Maine.

The House Ways and Means Committee and the Senate Finance Committee arranged meetings later in the day to give their approval to the package. That would open the way for Congress to get the bill to President Bush's desk by today.

Although there was still opposition to the bill from many lawmakers in both parties, House Democratic and Republican leaders predicted its passage. White House Chief of Staff John Sununu said Bush considered the plan "real and credible."

"I haven't been working on this for six days to have something go down," said House Minority Leader Robert Michel, R-Ill.

Final action as Congress pushes toward the end of its long election-year session:

• The House gave voice-vote approval to a $268 billion defense spending bill, while the Senate planned a vote today on that measure and the companion military authorization bill. The spending bill is a cut of $19 billion from Bush's initial proposal in January. It slashes the president's request for the Strategic Defense Initiative and barely keeps alive the B-2 stealth bomber program.

• The Senate voted 60-36 Thursday to send Bush the 1990 farm bill, passed by the House two days earlier. The president is expected to sign the five-year, $40.8 billion measure, which sets new environ-

(See BUDGET, Page A2)



Herald Photo-Brian Tregaskis

Charlie Thompson, a Division of Wildlife Resources fisheries biologist, releases thousands of trout into Deer Creek Thursday.

DWR stocking Deer Creek with trout

By ROD COLLETT
Associate Sports Editor

Name a popular game fish and Deer Creek Reservoir probably has it.

It's having too many of one particular kind of fish that worries the Division of Wildlife Resources (DWR).

Now, to counter a growing influx of voracious walleye, the DWR has begun the first of five trout plants at Deer Creek that is expected to boost the rainbow population by 170,000, according to Charlie Thompson, chief fisheries biologist for the Central Region.

The stocking began Thursday with 45,000 trout coming from Jones Holes federal hatchery near Vernal. The stocking will end sometime next week when a small load of trout will be shipped from the Fountain Green state hatchery.

While trout are the game and walleye are big names, Thompson says many anglers are having difficulty distinguishing between yellow perch and smallmouth bass introduced four years ago.

Maybe some people are not aware they're smallmouth are there," he said. "Smallmouth must be 12 inches before you keep them. Yellow perch are not similar to smallmouth which are brown in coloring.

Smallmouth are showing up with more frequency. It's the direction we want to go. We are worried about walleye and their impact on the trout fishery. When walleye and smallmouth are together they are compatible. We put smallmouth in four years ago and we see they'll begin to spawn next spring.

Currently, Deer Creek offers rainbow trout, walleye, smallmouth, yellow perch and brown trout for the dedicated angler.

Rainbows are still the bread and butter fish of Deer Creek. Fishing is real good right now with most of the rainbows 15- to 18-inches.

Quayle to visit Provo

Vice President Dan Quayle will be stopping in Provo on Thursday to campaign for 3rd Congressional District candidate Karl Snow.



Dan Quayle

"We have been working with the White House and the Republican National Congressional Committee for several weeks to get the vice president to visit Utah," said Stephen M. Studdert, campaign spokesman. "When Karl was in Washington he discussed this with President Bush."

According to the press release, details of Quayle's visit are still being worked out, but he is scheduled to arrive at the Provo Airport in Air Force Two before 2 p.m. An airport rally and a brief media meeting is scheduled.

Quayle's visit, while still in preliminary planning stages, is the first stop of a sitting U.S. vice president in more than 20 years to Utah County, according to Snow's campaign office.

"We are honored that the vice president has chosen to come to the most Republican county in the United States," Studdert said.

Iraq expands forces, U.S. officials say

WASHINGTON (AP) — The Pentagon is sending additional troops to Saudi Arabia partly to counter a recent hardening of Iraq's defenses in occupied Kuwait, officials say.

Defense Secretary Dick Cheney said Thursday that more American GIs — possibly as many as 100,000 — will be shipped to the Saudi desert to join the 220,000 U.S. forces already in the Persian Gulf area following Iraq's invasion of Kuwait on Aug. 2.

Cheney and other officials said the troop addition does not signal a switch in U.S. policy from defending against a possible Iraqi invasion of Saudi Arabia to laying the

ly agrees to appear for cold fusion review

Stanley Pons to appear for the Nov. 7 review. Minutes later, Pons agreed in a telephone call to show up.

"I told him he was wanted, that it was necessary," Chief Deputy

Pons' attorney appeared to ease the panel's irritation with Pons and British colleague Martin Fleischmann for missing the meeting and being virtually unreachable, except through their lawyer.

know what we are getting for the money.

The advisory council oversees the state's interest in the research. The Legislature appropriated $5 million following the announcement

If true, the achievement could prove a cheap solution to energy sources. But most scientists remain skeptical. Fritz Will, director of the National Cold Fusion Institute, told the panel in an overview of the

N000214

ople

ies Nobel winner

(P) of Peru in June, losing in an ar- upset to maverick candidate Al- unt berto Fujimori. Vargas Llosa has said Thursday he had no further ie, political plans and would dedi- ure cate his life to literature. an Vargas Llosa said he loved "Tune in Tomorrow," starring a Peter Falk and Barbara Her- est shey, although the film adapta- ar- tion did not follow to the letter ew his novel about a young man it who falls in love with an older tin woman, the sister of his uncle's to wife.

"Movies are another medium of expression," he said. "The ng novel is the written word and est films are images." ed

Another Vargas Llosa novel ne dealing with an affair between a on young man and a relative, the erotic "In Praise of the Step- n- mother," was published in En- cy glish this fall.

litics in full swing

e- well as Big Green, a sweeping on state environmental initiative. cy "There are many entertainers ne who, by their past work have e- become trusted by the public, or and for them to research and s, then support an issue like Big Green helps us spread the word," said initiative spokes- ir- man Duane Peterson. re a As the political free-for-all is nears its Nov. 6 election day ip conclusion, one cartoon celebri- ty found himself backing a cause he didn't embrace and a e highly regarded TV star op- al posed a pair of measures she us didn't fully understand.

DEBATES:

(Continued from Page A1)

have a platform."

Snow's wife Donna represented Snow to the women's group, saying her husband was elsewhere.

Mrs. Snow pointed out her husband's 12 years of experience in the state Legislature and noted he had worked with the Women's State Legislative Council in the past.

Snow arrived 11 minutes late for the University of Utah debate.

While waiting, Orton suggested to Hinckley Institute Chairman Ted Wilson that he should begin his opening statements without Snow being present.

"I want Karl to be here," said Wilson.

"I don't think he listens anyway," joked Orton.

The two candidates also had a joint radio appearance and a joint television appearance Thursday.

Snow told those at the Hinckley Institute his academic prowess was in the field of public administration and budgetary systems. He said his legislative experience would allow him to "hit the ground running" in Washington.

"Many wonder when you hit the ground, which way you will be going," said Orton.

Orton repeated his 10-second sound bite criticism and Snow said Orton also spoke in 10-second sound bites.

Orton took issue with alleged Snow statements that every county officer in the 3rd District supports him. Orton said that isn't the truth.

Snow told those at the university that he did have an agenda and said he has already been asked to join the tax-advisory Grace Commission if elected to congress.

"Apparently, he has found an agenda said Orton. He said that in earlier joint political events, Snow had announced that he would go to Washington without an agenda and just listen.

At all four of Thursday's 3rd District campaign events, the federal budget and deficit was a key issue.

Snow said he differed from Orton because his budget proposals called for no new taxes.

Orton suggested a three-point approach of budget process reform, spending cuts and tax reforms, including a new federal transfer tax to retire the federal deficit.

Snow said he would freeze spending, increase the federal budget 4 percent instead of the usual 10 percent, and allow growth and the budget reduction to pay off the federal debt within seven years.

Orton called Snow's plan an idea of the 1980s — basically David Stockman's trickle-down concept.

Snow said it wasn't the same idea as Stockman's and was a new concept supported by the congressional budget office.

"You don't have to tax," Snow said. "You just have to stop spending more than is coming in.

He called Orton's transfer tax inflationary.

Orton said part of Snow's budget plan would eliminate cost of living allowances in programs for the elderly.

"I never said I won't support COLAs," said Snow. He said his approach for such programs would be to cut spending and not to eliminate cost of living allowances.

"There was much of good" in the civil rights bill vetoed by Bush, said Snow. But he added that "there were plenty of reasons to veto it" too.

He said it would have changed the burdon of proof on job discrimination suits from the employee to the employer, and Snow said that was not good.

Orton agreed with problem of changing the burdon of proof. But he said in balance it should have passed. He said he would have voted for it and to override the veto.

On the saving and loan crisis, Orton said it doesn't help to point fingers of blame and said the system needs overhauling.

Snow said the crisis was caused by deregulation and increasing the federal insurance rates for federally insured programs. He said at least 100 other programs insured by the federal government could end up costing taxpayers $14 billion. He said federal regulation must be reinstated.

Both candidates said they support the clean air bill.

"We only have one earth," said Orton. He said he is in favor of "holding polluters' feet to the fire, and believes it could be done without losing jobs.

Snow said Geneva Steel has made a good-faith effort to meet clean air standards, and he said he supported new standards that will add about $175 to each new automobile. "That's a small price to pay," he said.

Snow also said he would be willing to consider a light rail public transportaton system for Utah.

Both candidate's personal pasts were questioned.

Orton was asked about delinquent taxes. He said they stemmed from a dispute he has with the state. Orton indicated that he has appealed and has met every requirement of the state.

Snow said allegations from Utahns for Ethical Government and others relating to allegations of involvement with convicted felon Michael Strand and Global Oil/Unique Battery have been reviewed extensively and he has been cleared of wrongdoing by four attorneys and a certified public accountant.

Orton said he would not criticize Snow over the Republican's past, but he said there are some unanswered questions. He called the independent CPA audit not independent since it was prepared by a Snow supporter.

U.S.:

(Continued from Page A1)

some of which may come from U.S. bases in Germany that are scheduled to close, will give U.S. military authorities more leverage in dealing with Iraq's huge army, which includes an estimated 3,500 tanks in Kuwait.

"Our decision to add forces results from Iraq's almost doubling of forces in Kuwait and southern Iraq from approximately 265,000 in early September to about 430,000 today," the Pentagon said in a statement released after Cheney disclosed the decision in television interviews.

Iraqi President "Saddam Hussein continues to fortify his positions in Kuwait and southern Iraq and continues to accumulate significant forces that could, conceivably, go south," the statement said.

Cheney also said the Pentagon was planning to send fresh troops to the Saudi desert to replace units due for rotation back to their home stations. He said final decisions were pending on which units to rotate and in what order.

On Capitol Hill, Rep. Les Aspin, chairman of the House Armed Services Committee, said the U.S. force in Saudi Arabia appeared ill-fitted for the Bush administration's stated aims.

"It's the wrong size force," the Wisconsin Democrat said. "It's too big to stay there and too small to attack."

Echoing Cheney's remarks, CIA Director William Webster said Thursday that Saddam was greatly improving the quality of his defenses in Kuwait, making any U.S. offensive operation more problematic and costly.

Pentagon spokesman Pete Williams told reporters the Iraqi occupation forces were fortifying their positions by digging anti-tank ditches, laying mines and building berms, or earthen walls, to protect and hide their armor. He said they also were building roads to allow for quick reinforcements.

"While the Iraqis have dug in, that is an indication to our analysts not that they have lost the capability to go on the offensive but rather that they don't show any sign of letting go of Kuwait," Williams said.

FUSION:

(Continued from Page A1)

achieving similar results. He said experiments continue to produce excess heat and other nuclear fusion indicators.

He declined to discuss the specific experiments being done by Pons and Fleischmann.

Fusion is the process that powers the sun, stars and hydrogen bombs. It is achieved when atomic paticles fuse and release large amounts of energy. The process usually requires millions of degrees of heat to get started.

The panel's unanimous decision to ask University of Utah President Chase Peterson to apply pressure on Pons to attend a review grew out of its frustration with his unexplained absence.

The pair's attorney, C. Gary Triggs, told Teach the researchers were reluctant to appear Thursday because of a patent application they were preparing.

Hixson said that argument was faulty because the state will own any patents produced from the work and panel members are sworn to secrecy.

Fleischmann, reached at his home in Tisbury, England, said he had not learned of the council meeting until a journalist told him late Wednesday.

Will said he had faxed a notice to Fleischmann more than a week ago and later telephoned the scientist's office, only to be told he was unavailable.

"We have attempted to have the two present during an external review in October. We have abundantly explained; they have categorically refused," Will said before the meeting.

Triggs said Pons and Fleischmann had explained they would be out of the country during October.

The attorney would not say where Pons had gone, although the teacher of his young son said Wednesday the family had told her they would be in France for "a year or two."

Pons has applied for a one-year sabbatical. Peterson said the request would be handled by the Chemistry Department, which Pons once chaired.

WARNING!

* LDS missionaries machine-gunned in Bolivia.
* LDS chapels bombed in Chile.
* LDS church banned in Ghana.

Is there a planned conspiracy?

write: LDSM&A
P.O. Box 1186
Provo, UT 84603

$75 annual deductible paid by beneficiaries would increase to $100. The monthly premium — $28.60 this year — would grow gradually to $46.20 by 1995.

Disagreement remained over the exact size and nature of cuts in Medicare reimbursements to doctors and hospitals. Those reductions were expected to total about $33 billion over the next five years.

The plan cuts student loans, farm aid and other benefit programs.

Final agreements were being sought over Medicaid, which helps the poor pay medical bills. Although the program will be cut, liberals wanted to provide an additional $2.9 billion for low-income elderly people. The Bush administration was trying to reduce that figure.

Also under negotiation were $2.5 billion worth of tax breaks for the oil and gas industry, championed by Senate Finance Committee Chairman Lloyd Bentsen, D-Texas. The Senate also wanted $5.6 billion worth of tax breaks for businesses, including those doing research, and individuals, for items such as employer-provided educational benefits.

With Election Day approaching, members were getting itchy to halt the budget bickering and return home for campaigning.

If the leaders were reading their votes correctly, the House and Senate — where few problems were expected — would dispose of the bill quickly and let Congress adjourn for the year over the weekend.

Michel expected only about 50 of the House's 175 Republicans to vote for the plan, mainly because of



N0002I5

"I know nothing grander, better exercise, better digestion, more positive proof of the past, the triumphant result of faith in human kind, than a well-contested American election." — Walt Whitman, American poet (1819-1892)

Opinions

The Daily Herald

Sunday, November 1, 1992

Enough, already!

Herald Comment

Desperation? Devilish? Dumb? Despicable?

Those are questions that come to mind when we hear the last-minute charges hurled at political candidates in this strangest and most disheartening of election years.

From the paranoia of Ross Perot, to Bill Clinton calling George Bush a liar, to George Bush accusing Al Gore of being crazy, to Wayne Owens charging his campaign has been infilitrated by a "mole," it has been getting uglier by the day.

Then along comes an 11th hour charge that Bill Orton was personally involved in promoting the John Harmer-Karl Snow cat fight two years ago.

Why now?

If the charges made Thursday by Jacqueline F. de Gaston — self-confessed participant in the 1990 campaign against Karl Snow — are true and important, why did she wait so long? If her "confession" is critical for voters to know, why wasn't it made weeks or months ago so the voters and the media would have plenty of time to investigate the charges and determine if they are true.

The whole mess appears highly suspect and manipulative to us.

There are plenty of reasons to vote for or against Bill Orton or Richard Harrington based on known quantities. Both congressional candidates have effectively stated what they stand for. And Orton's voting record, when accurately depicted, provides plenty of fodder to support him or vote against him, depending on one's personal political philosophies.

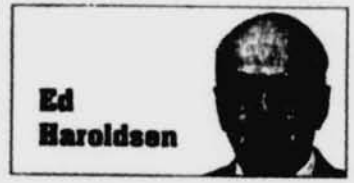
That said, may we go on record as feeling a little nauseated by those of all political stripes who feel innuendo, mud-slinging and outright lies will somehow provide us with the best possible government.

And "new revelations" in the waning moments of the campaign are the most abysmal of all.



COATTAILS

Reject betting on ponies — again



Ed Haroldsen

Herald Columnist

The youngsters born since the 1930s may not know that this isn't the first election in which Utahns have voted on whether to legalize betting on horse races.

Utah had a short but controversial experience with pari-mutuel betting during the 1920s. The 1925 Legislature legalized it and set up a racing commission to supervise it. However, the 1927 Legislature repealed the pari-mutuel betting act in a session punctuated by charges that there had been graft in awarding the permit for the first race under the legalized setup.

I was a staff writer for the Deseret News when the pari-mutuel betting initiative came up again in 1958. So I poked back into the records and learned what happened when it was briefly legal back in the mid-20s.

As I reported in a four-part newspaper series a few weeks before the 1958 general election, San Juan County stockman that "trails of evils and sorrows" followed legalized betting.

What happened in the 1927 Legislature suggests the natural affinity between race betting and corruption. But promoters of race betting never seem to give up. So the betting initiative was back on the ballot in 1958, despite alleged irregularities in how reason on their side.

But opponents back in 1958 had more serious objections than the one that betting on racing wouldn't be the economic boon claimed for it. A newspaper editorial noted a few days before the Nov. 5, 1958 general election that a study of the state's experience in the 1920s showed clearly enough that the enterprise brought no benefit to the state and for that reason it was thrown out then (1927).

Particularly, the study showed that the races didn't create wealth but merely passed money from one pair of hands to another. While it was adding nothing to the economy, race betting did definite damage in other ways. The editorial noted that both the report on crime and corruption of the Keefauver Committee (a well respected congressional watchdog group during that era) and the Massachusetts Special Crime

Letters

Faith in 'Bo'

Editor:

If you support the platform for returning to our Constitution as advocated by Bo Gritz, please don't say he hasn't got a chance in this election. Looking at it from the standpoint of man, it certainly can look that way. But what happened to our faith in God? Why not look for that miracle?

What other choices do we have? If either Clinton or Bush win, we will lose our Constitution and be subservient to the tyrannical New World Order. If Perot wins, everyone pays more taxes and the illegal "Federal" Reserve and IRS continue to sap what little life is left in this nation.

As to that miracle, consider the miracles that have already taken place. For miracle

Discount polls

Editor:

Following are some reasons to discount and discount the many polls (and referen-

those board members should be educators and PTA representatives who are concerned with the welfare of our children, rather than the "me first" self-interest groups who have traditionally dominated this board.

Please get concerned and then get vocal. Ask your closest PTA for a copy of the information they possess and then make your voice heard.

Julie Oliver, '91-92 president
Lorraine Cameron, '92-93 president
Edgemont Elementary PTA Board
Provo

U.S. CONGRESS - KARL SNOW



President George Bush endorses Snow's Congressional Candidacy

An open letter to the citizens of Utah County from Republican Third Congressional District Candidate Karl Snow.

On November 6, you will go to the polls and determine the direction our nation takes into the 90s and beyond. It is a sacred duty and one we should all participate in.

I entered this race with the belief that my years as a public servant give me the needed maturity and insight to confront the challenges of today and tomorrow.

Our freedoms and liberties are cherished by the world. We won the Cold War and democracy has prevailed. America's victory is due to you – and I will continue to defend those sacred truths that so many of you have sacrificed for.

I will pursue an agenda of a strong national defense, the rights of the American family and cleaning up the fiscal mess in Washington, D.C. As your Congressman I will stand for:

• **No new taxes.** We are not undertaxed, we are overtaxed.

• I will not delay the inflation adjustments for tax brackets and personal exemptions. Such a delay will increase taxes upon the average American family $2,000 over the next five years.

• I will not raise Medicare premiums. This is simply a tax increase on our seniors.

• I will vote to reduce the Capital Gains Tax and permanently extend Research & Development Tax Credit.

• I will support a Balanced Budget Amendment and line-item veto.

• I will oppose abortion in all cases except when necessary to save the life of the mother, or when the pregnancy is the result of rape or incest. This is not a question of "choice," rather it is an issue of "life."

• I will support the death penalty in case of murder, treason and drug kingpins.

• I will keep our armed services strong and prepared. Our national security is imperative to our interest and world peace.

The Republican party has a wonderful opportunity in the next several years to make the transition from an opposition conservatism to a governing conservatism, from advocating conservative anti-left-wing government to advocating a conservative government. The Republican Party represents the values of a majority of Americans and the same values of the Third District.

The Democratic Party, whose power is led by Wayne Owens and Bill Orton, represent the values of the eastern establishment and the Washington beltway mentality. They do not understand our needs or values.

We can solve the classroom crisis and the menacing disease of drugs and crime. We need the language of limits. We cannot talked with a **sufficient** sense of urgency; **we haven't** held the system **accountable. It** is time for a change – **a time for** governing conservatism.

I am proud to be a **Republican**. Our party **represents your** values and has the **constructive** solutions to solve **the challenges** facing our nation and **district.**

We are a nation **founded on** the firm reliance of **Divine Providence**. As your **Congressman, I** will do everything **in my power** to protect and **defend the Constitution** of the **United States, to** protect the **freedoms we have** been bestowed with; **to fight for** the cause of **liberty and justice.**

I will serve you **with honor** and integrity. I would **appreciate** your vote on **November 6.**

With Warm Regards,

Karl Snow

Karl Snow
Candidate – U.S. Congress

N000216

'And now let us believe in a long year that is given to us, new, untouched, full of things that have never been,...full of tasks, claims, and demands... — Rainer Maria Rilke, (1876-1926)

Opinions

Stamp of disapproval

Herald comment

Postal employees earn about 25 percent more than the average American worker, yet they somehow feel inadequately compensated. They are seeking a 22-percent pay increase over the next three years, unlimited protection against inflation, a 35-hour work week and an additional paid holiday beyond the 10 they now receive.

And these are just a few of the more than 50 demands brought to the bargaining table by the American Postal Workers Union and the National Association of Letter Carriers in negotiation of a new labor contract with the management of the U.S. Postal Service.

The APWU and NALC represent more than 90 percent of the postal service's 660,000 unionized employees, who have been working without a contract since Nov. 20. Because management and the unions are far apart on terms of a new agreement, arbitrators have been called in to thrash out a binding agreement.

The shape of the new postal labor pact will not only have a substantial impact on the future productivity and efficiency of the postal service, but also on the overall health of the U. S. economy. If the new pact is overly favorable to labor (which now accounts for 83 percent of the postal service's operating expenses), postage costs are sure to skyrocket in the near term, which in turn will mean a large increase in a major cost item for U.S. companies.

Companies anticipate postage increases, much like automobile drivers expect pump prices to rise. But when prices rise dramatically in the short term — a likely scenario if the postal unions hold sway in contract negotiations — it produces a shock that in certain cases can be felt throughout the economy. We have seen this happen with oil. The same could happen with postage.

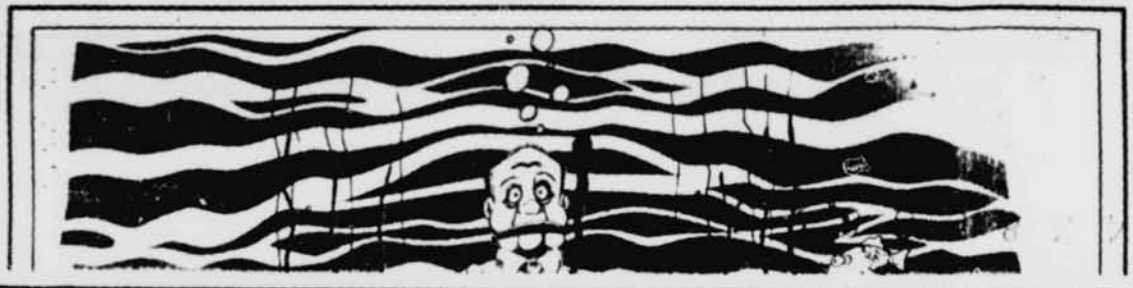
Indeed, the postal service has calculated that the cost impact of the union's wage proposals would exceed $50 billion and require a 72 percent increase in first-class postage over the next three years, from the present 25 cents to 43 cents. In the real world, a company would dare not raise the cost of its product by much more than the rate of inflation. Yet the postal service is talking about a price increase four or five times that of inflation.

But the postal service does not operate in the real world. It has a publicly protected monopoly over the mail and therefore is able to pass on the expense of its excessive labor costs to the American people.

Americans have been willing in the past to accept incremental increases in postage costs. But they will look unfavorably upon the level of increase that would provide postal unions the raises they are looking for. Postal service management must keep the prices it charges for mail in line.



N000217



Editorial cartoons are an important part of the opinion page in most newspapers. The Daily Herald is fortunate to have two local cartoonists who contribute regularly. We asked Darryl Barksdale to select some of his favorites from 1990 for an encore.

N000218

College Times

•volume 19 • issue 10 • 31 october 1990 • utah valley community college •

THIS WEEK

Commentary

Letters to the Editor

Bush "races cards"

Community

Housing in Utah Valley

Campus News

Handicapped facilities at UVCC

Unpaid student loans lead topenalties.

Entertainment

Music Trivia Quiz

George Strait concert review

Feature

Intitiative A, yes or no? What do UVCC students have to say?

Halloween traditions

Sports

Quayle visits UVCC on behalf of Snow

—Robert Buchert
Asst. News & Feature Editor

Dan Quayle, Vice President of the United States, is comming to UVCC tomorrow, November 1, to campaign for Third Congressional Candidate Karl Snow.

Quayle will fly into Provo City Airport on Air Force Two then motorcade to theOrem campus for a public rally in the Activities Center.

The rally starts at 1 p.m. and will include an address from the vice president. Students must have tickets to get in.This trip is the first by a sitting vice president in almost 20 years and is, according to Snow's public relations department, "...to pay tribute to the Third District for being the most Republican district in the nation."

The visit is "part of a string of events that the vice president is participating in on that day," said a member of the Snow campaign committee. Quayle will be flying in from Nebraska. After the rally he will visit California to help the Republican effort there.Quayle will attend a private reception at UVCC prior to his address.



Dan Quayle

Vocational enrollment decreases in 1990

—Garilee Speer
Staff Writer

In the last five years, the Vocational/Technical enrollment,which includes Allied Health, Business, Technology,Trades and Continuing Education,has decreased 23 percent.The General Education enrollment. curriculum. But, UVCC is still the one school in the state that offers more vocational courses than any other school. 70 percent of all funding that goes toward instruction at UVCC goes to Vocational departments.

Dr. Lucille Stoddard,Vice President of Academic Affairs said "We want everyone to completion of their Vocational Programs. Such as intensifying classes so that they run all day long. Therefore,the course will be completed in one semester rather than one year. Weekend and night classes are another possibility.

UVCC is now in the pro-

Lenhardt named foreign language teacher of the year

–Tracy Black
Staff Writer

Ruediger Lehnardt has recently been named Utah Foreign Language Association Teacher of the year for 1990-91.

A committee of teachers in Utah decide who is most qualified to receive this honor. The award is based on the teacher's accomplishments, involvement, and contributions to the school where they teach.

This is not Lehnardt's first honor. In 1982, he was also chosen as teacher of the year at UVCC in the same area.

Lehnardt is from East Berlin, Germany. He came to Utah in 1955 and now lives in Orem. He is happily married and has six children. Lehnardt said, " I love Utah. I love living here. I love the mountains and hiking. I love nature and swimming in the reservoir. This is one fine



Journal

SPECIAL ELECTION ISSUE

LOCAL: Cop calendar A-5

POLITICS: Selections and elections A-6



HURCH

TC: Language training and mission preparation. pg. A-9

SPORTS

COUGARS: BYU breaks the wishbone. pg. B-1

SUNDAY, 4 November 1990

NEWS BRIEFS

A quick glance at the day's news

OTHER CANDIDATES: Candidates from the Socialist Workers Party and the American Party also want to replace Howard Nielson in Congress. A-2

NEBO DISTRICT: With two vacancies opening on the school board, at least two new faces will come on board after the election Tuesday. A-2

COMMISSION RACE: Former Lehi Mayor George Tripp faces Republican Gary Herbert in the race for the County Commission. Herbert was appointed five months ago to his position. A-7

WEATHER

SUNDAY	MONDAY	TUESDAY
47 / 28	49 / 28	55 / 31

Bush will spend Thanksgiving in Gulf

ROCHESTER, Minn. (AP) — President Bush will fly to the Persian Gulf to spend Thanksgiving with the troops he sent to confront Saddam Hussein, the White House announced Friday.

Bush, meanwhile, hitting hard at Saddam while campaigning for Republican candidates, renewed his pledge to push Iraqi forces out of Kuwait but said he still hopes U.S. forces can eventually return home "without a shot fired in anger."

Bush will visit Egypt and Saudi Arabia following a trip to Paris for the Nov. 19-21 multinational Conference on Security and Cooperation in Europe, White House Press Secretary Marlin Fitzwater said in a statement.

Confirmation of the long-rumored gulf trip came as Bush kept up his drumbeat of harsh anti-Saddam rhetoric. Bush's spokesman said Thursday that the president was preparing

Journal offers profile of Karl Snow and Bill Orton

Who will be next congressman?

Lavarr Webb
Contributing Editor

PROVO — When Karl N. Snow first ran for the Utah Senate in 1972, he had a certain invisible campaign worker who was a big help.

His Democratic opponent later good-naturedly told him that the election wasn't fair because he found he had to run against Snow and his mother.

Snow's mother, Wanda, who died just a year ago, was the central figure in his early life. His father, who had been dean of students at Dixie College and a Washington County magistrate, died of a strep infection just days before Snow was born. Wanda was left with six children to raise alone.

When Snow was 6, the family left St. George and moved to Provo so Wanda could obtain her teaching certificate. She taught for more than 30 years in Provo public schools, becoming one of the area's most beloved teachers. When Snow first ran for the Legislature, people knew his mother far better than they knew him.

"I grew up right in the middle of Provo, near what is now Academy Square," he said. "By most standards we were poor and we had difficult times, but thanks to my mother we had a very solid and happy home life."

Snow, who in his words recently turned "a young 60", was clearly destined to attend Brigham Young University. In fact, he started in the first grade. He attended the BYU laboratory schools, going through elementary, intermediate and then BY High School. "At one time we had five in the family attending the university itself at the same time."

Education was very important in the Snow home.

It was a couple of high school teachers

see **SNOW** pg. 3



BILL ORTON



KARL SNOW

Lavarr Webb
Contributing Editor

PROVO —When Bill Orton has a little free time, which isn't often, his favorite thing to do is grab his fishing rod and ride one of his horses from his home at Sundance to some secluded fishing spot.

A self-described "very private person," he loves the solitude of the mountains and dislikes taking a high public profile.

So, what is he doing in the middle of a hectic, bitter political campaign, standing in the spotlight, his private life on display and carefully scrutinized?

Those are good questions, especially because Orton is not a typical politician. He is running as an outsider, a non-politician, and he can get away with it because it's true.

The 42-year-old tax attorney was not recruited by the Democratic Party. He has not for years harbored a secret desire to run for political office. He did not build a network of political cronies or lay the groundwork to run months ago. He has ignored most of the conventional political advice given to him. He doesn't even have a campaign plan. He is financing most of his campaign himself.

He left a very lucrative law practice to run and if he wins he'll earn only half of what he made as an attorney.

So why is he running?

His answer is that he is so sick and tired of what is going on in Washington — the savings and loan debacle, the budget crisis — that he is driven to do something about it. His central message is that if you are sick of politics as usual, then vote for him.

It was last January or February when he was teaching a tax law course that the possibility of running for Congress first came up. He recalls that he made comments

see **ORTON** pg. 3

Disgruntled voters going to the polls

(AP) — Disgruntled voters pick a new Congress and 36 governors Tuesday in midterm elections shadowed by twin threats of recession at home and war in the Middle East.

But for all the combustible ingredients — and unexpectedly close races involving Republican Sens. Jesse Helms, Mark Hatfield and Rudy Boschwitz — few incumbents seem likely to lose in 34 Senate races, 435 House contests and 36 statehouse races on the ballot.

And only marginal changes seem likely in the size of Democratic majorities in Congress and among the nation's governors.

ELECTION 90

Beck faces Hill in commission race

■ Independent candidate Wayne Hill has been running a loud campaign to unseat incumbent Malcolm Beck. Beck cites his record while Hill blames the problems of county government on the GOP candidate.



Malcolm Beck



Wayne Hill

ing incumbent Commissioner Malcolm Beck, Hill sold his five hearing aid stores.

He's been using those funds (and only two small donations) to run a loud, even angry campaign.

He's a member of the Independent Party, something that may make his bid seem even more difficult.

But Hill's campaign style is hard to

N000219

SNOW

continued from pg. A-1

that got young Karl interested in public affairs. He studied political science at BYU, interrupting his schooling for an LDS mission to Texas-Louisiana. Toward the end of his mission he ate some spoiled meat at a district conference and nearly died. He was very sick, was in a body cast for most of a year and suffered bone deterioration.

He recovered well enough, though, to enjoy snow and water skiing. He also loves to work in his large yard, but says it's gone to pot this year because of his terribly busy schedule.

After graduating from BYU, Snow went to the University of Minnesota for a master's degree in public policy. He worked there in the governor's office for three years. Then he went to the University of Southern California for a doctorate in public administration.

While a student in California, he got to know an attorney and church leader named Howard W. Hunter. Hunter had a legal secretary named Donna Dunn and he set Snow and Donna up on a blind date. A short time later Hunter was called as an LDS general authority (he is now president of the Quorum of the Twelve) and he performed Karl's and Donna's marriage. The couple has six children, the youngest 20.

Snow returned to BYU to teach and then took a three-year leave of absence when he was asked to work for the Utah Legislature and set up the fiscal analyst's office there. He established the system for tracking funding measures, identifying fiscal implications and projecting state revenues. He served for a time as the first fiscal analyst and then returned to BYU. The fiscal analyst's office is now a key part of the legislature, keeping track of state expenditures in all areas of government and advising the Legislature on fiscal matters.

He also advised Gov. George D. Clyde in establishing the State Budget Office, creating a system of executive budgetary control.

In 1969, he returned to BYU to direct the Institute of Public Management and to create a Masters of Public Administration degree. "Our program has turned out dozens of city managers, county executives and council of government directors," Snow said. "We've had great success. Our graduates are scattered all over the West in important positions." Snow directed that program for nine years, especially enjoying the teaching part of the job. "I love to teach. That's the most satisfying aspect of being affiliated with a university."

Snow's most recent assignment at BYU was assistant vice president and director of development. He is now on an unpaid leave of absence.

He began his legislative career in 1972 at 42 years of age. "I did it on a fluke. I hadn't really planned to do it." There was some dissatisfaction with the Republican incumbent in the Senate district and Snow's neighbors and friends encouraged him to run.

"I filed on the last day, in the final hour. I was a complete unknown. I hadn't done anyting to lay any groundwork," he recalls. He defeated the incumbent and then the Democratic candidate. And in the rest of his 12-year legislative career, he never had another opponent. No one from either

"The Legislature was a great professional experience, as well as an opportunity to make a real contribution to the state," Snow said. His years of academic training and practical experience resulted in his sponsorship of dozens of bills in government reorganization to improve the conduct and efficiency of state and local governments in Utah. He rose to the position of majority leader in the Senate and was honored as one of 10 "Outstanding State Legislators in the United States."

"Some thought my approach in the Legislature was perhaps too academic, coming as I did from the university," Snow said. "But I learned to be very practical and to deal with the politics and the realities. All of those major bills required compromises among the many interests."

Snow also served for 12 years as chairman of the Constitutional Revision Commission, and played a key role in improving and updating Utah's constitution to meet the needs of modern society and address current issues.

In 1984, Snow ran for governor along with a half-dozen other Republicans, but did not make it out of the Republican state convention. "That race had a lot of positives. Losing was not a big disappointment. We got to know the state better and made a lot of friends."

Snow calls himself a conservative, but he is by no means an arch-conservative. "I believe that government has a positive role to play in society. But the role of government must be balanced with the role of the individual and the community."

He said that someone described him, after hearing him speak, as a "thinking conservative" and he likes that description. "I'm not one who is always suspicious of the national government just to be suspicious. They do many things very badly, and there are many things that must be straightened out. But some good things have also been done."

On a personal level, Snow said campaigning has been difficult, especially for his wife and family. Financially, it has been a burden because Snow is not wealthy. His wife has had to work to help support the family.

Especially difficult have been the questions about Snow's integrity and judgment because of his involvement with a man named Michael Strand and a penny stock deal. Snow himself lost money on the deal and he challenges anyone to find anything illegal or improper in his conduct. His detractors say he tried to distance himself from Strand and the stock deal when he was actually heavily involved.

Snow says the charges are misleading and unfair. They obviously are hurtful, he said, "but on a personal basis we know who we are and where we come from. So we ignore those kinds of things."

Snow said he is running because he felt that he was at a point in his life where he could use his experience and training to make a contribution to the district and the country. "I have a healthy respect for our state and community and the values and standards here. I want to protect them. I feel strongly about good government and I believe it can be a good servant. Government need not be an evil force. We do have some serious problems and I believe I can hit the ground running and help solve them."

This time he has to run without the help of his mother, but the hard work and values she taught him still serve him well.

ORTON

continued from pg. A-1

about the budget problems and savings and loan mess and what Congress could do about them. People in the class suggested that he ought to do more than talk about the problems; he ought to run for office and do something about them.

"I tried to dismiss the idea, but it kept coming back," Orton said. "Then I read that (Rep. Howard) Nielson was retiring. It became a compulsion. I couldn't leave it alone."

To that point in his life, Orton had led a relatively sensible, carefully reasoned existence. He wasn't given to taking crazy chances or going off tilting at windmills.

But he did it. He announced as a Democrat in perhaps the most Republican congressional district in the country. "It was something like jumping into a hornet's nest and slamming the door behind," he said.

The driving force behind the decision was this: "I just have become absolutely fed up with business as usual in Washington, D.C., and I know I can make a difference. I can help solve the problems. I decided that if people who can make a difference, who have the ability to make things happen, refuse to get involved because they don't want to upset their comfortable lives, then that's a shame."

The state Democratic Party had never heard of him. His family and friends were simply shocked.

The most unlikely thing about this is that Orton actually has a shot at winning. While still the underdog and still trailing in the polls, he has mounted the best Democratic campaign in the 3rd District since it was created. This is partly because his opponent, Karl Snow, has received negative publicity from his penny stock dealings. He has also benefitted from the anti-incumbent, anti-establishment sentiment among voters this election year.

But it's also because Orton has run a smart campaign. He has shown excellent political instincts, presenting himself as a candidate as conservative as the Republicans, while independent of the political establishment.

"I receive a very positive response from everyone I meet," Orton said. "I convert nearly everyone. They all like my message. The only trouble is having enough time to meet everyone."

During an interview with a reporter at a Murray restaurant, a man walking by recognized Orton, stopped and said, "I'm a born and bred Republican, but I want you to know that I like your ideas. You have my support."

Orton was born and raised in North Ogden, along with one brother and three sisters. He served an LDS mission to Oregon and earned a degree in anthropology and archaeology from Brigham Young University. He also took a lot of accounting classes. He worked for the Internal Revenue Service during his college years and went to Oregon to work for the IRS after graduation.

A few years later he returned to BYU and earned a law degree, graduating in 1979. He worked for the IRS for a total of 10 years and also started a business holding seminars and workshops for other attorneys and CPAs on tax law. He still spends about one-third of his time teaching tax seminars. He figures he's taught more than 15,000 professionals all over the country.

He has been a corporate attorney in Oregon and is "of counsel" to the Atlanta law firm of Merritt & Tenney. He belongs to the Utah and Washington, D.C. bar associations and has taught accounting and tax courses at a number of universities, including the BYU law school.

Orton has been active in the American Bar Association, serving on tax policy subcommittees where he has reviewed legislation before Congress and worked with staff members of the House Ways and Means and Senate Finance committees, in addition to the Legislation & Regulations Division of the IRS.

He has had a home in Utah County since 1977, but his law practice has taken him around the country and he has spent quite a bit of time in Oregon. Most of his clients are other lawyers or CPAs with specialized tax problems.

Orton loves to ski, hike, fish and hunt. He enjoys living at Sundance, in the mountains. He broke his Arabian stallion

Orton is single, and that's a status he's somewhat sensitive about, being aware that the 3rd District is strongly family-oriented. He worries that his political opponents will insinuate that he doesn't share the values and family orientation of people in the district.

He's quick to point out that he does share those values and that he'd like to change his single status. "I've not had that opportunity and blessing (to be married) yet in my life," he says. "I'm actively looking. I want a wife and family. I believe that marriage is for eternity, and is not a decision to be taken lightly. It just hasn't worked out for me yet."

When it was jokingly pointed out that in running for Congress he would meet thousands of people, including a lot of single women, Orton laughed and said he's not running for Congress to find a wife.

While Orton is running as a conservative, independent Democrat, some have questioned his ability to stay independent and conservative if he wins and the pressures of the Democratic Party and Democratic leadership are brought to bear on him.

He's convinced he can stay independent. "I say anyone who can run successfully as a Democrat in Utah's 3rd District, described as the most Republican in the country, will have no trouble being independent in Washington."

Orton has had difficulty raising money. As a decided underdog, he can't get much from national sources and Democratic donors are few and far between in the district. More money has come in, however, as he has shown he is a viable candidate. He figures to collect $30,000 to $40,000 in contributions and will spend $50,000 to $60,000 of his own money. Snow will outspend him 3 to 1, he expects.

Orton said the most difficult question, for him, of the whole campaign has been how to respond to something he has no control over — the criticism of Karl Snow's involvement with Michael Strand, who was convicted of stock fraud, and a penny stock deal that went sour.

While Snow has not been accused of anything illegal, investors who lost money say Snow was more involved with Strand than he has been willing to admit. Orton said he was advised by political insiders that the only chance he had to win was to capitalize on the dirty and bitter Republican primary election and make Snow and Strand the big issues of the campaign and criticize Snow at every opportunity in connection with the penny stock deal.

"I decided I would not go to Congress walking over the back of Karl Snow and pushing his face into the mud," Orton said. "I've refused every opportunity to run a dirty campaign. I've not done it. I don't want to go to Congress that way. If the public wants a dirty campaign, then they don't want me. If I have to abandon my personal values to win, then I don't want to be a congressman."

He said he told his staff that anyone involved in any way with Snow's problems would be fired. He said he told the state Democratic Party leadership that he would resign as a candidate if they became involved.

Orton has, however, managed to capitalize on Snow's problems by emphasizing his non-involvement and talking about how it is other Republicans who are criticizing Snow. He talks, for example, about how other Republicans question Snow's integrity and judgment.

Orton, himself, has has not been free of ethical questions. The State Tax Commission says Orton failed to pay sales taxes on a Mercedes Benz brought to Utah from Oregon. Orton was fined the amount of the sales tax, $1,200, and then was fined $1,320 in a "fraud penalty," according to press reports.

Orton disputed the tax and penalty, but lost in early appeals. He says the matter is still being appealed, but the Tax Commission says it has no record of an appeal.

Congressional races heat up

PROVO (AP) — Not even the endorsement of Vice President Quayle could silence congressional candidate Karl Snow's critics, with the Republican's foes stoking the fires of the already hot 3rd District race.

In a full-page ad run in Thursday night's edition of Provo's Daily Herald newspaper, Peggy Fugal Advertising — Snow's former ad agency — charged Snow had crossed the "line between withholding facts and lying" in speaking about an unpaid campaign bill.

Snow also was at the center of an acrimonious Chamber of Commerce debate, engaging in a shouting match with Scott Norton, chairman of the anti-Snow Utahns for Ethical Government.

Norton charged that Snow had telephoned witnesses before a probe was conducted into Snow's relationship with convicted felon and stock manipulator Michael Strand. The investigation was conducted by Curtis Bramble, a Provo certified public accountant hired by Snow himself.

Snow would make no comment on the allegations, but maintains the Bramble probe cleared him.

Snow's Democratic opponent, Bill Orton, said he has had nothing to do with the criticism over Snow's past and that he has tried to keep the campaign centered solely on the issues.

Nonetheless, Snow charged it was Orton who was pulling the strings on revelations about his past.

Fugal's ad claimed that Snow has owed her agency $3,360 for more than six years, dating back to Snow's unsuccessful 1984 gubernatorial bid.

Want the whole county to know?

Tell the Journal

N000220

9704383082828

SNOW

continued from pg. A-1

that got young Karl interested in public affairs. He studied political science at BYU, interrupting his schooling for an LDS mission to Texas-Louisiana. Toward the end of his mission he ate some spoiled meat at a district conference and nearly died. He was very sick, was in a body cast for most of a year and suffered bone deterioration.

He recovered well enough, though, to enjoy snow and water skiing. He also loves to work in his large yard, but says it's gone to pot this year because of his terribly busy schedule.

After graduating from BYU, Snow went to the University of Minnesota for a master's degree in public policy. He worked there in the governor's office for three years. Then he went to the University of Southern California for a doctorate in public administration.

While a student in California, he got to know an attorney and church leader named Howard W. Hunter. Hunter had a legal secretary named Donna Dain and he set Snow and Donna up on a blind date. A short time later Hunter was called as an LDS general authority (he is now president of the Quorum of the Twelve) and he performed Karl's and Donna's marriage. The couple has six children, the youngest 20.

Snow returned to BYU to teach and then took a three-year leave of absence when he was asked to work for the Utah Legislature and set up the fiscal analyst's office there. He established the system for tracking funding measures, identifying fiscal implications and projecting state revenues. He served for a time as the first fiscal analyst and then returned to BYU. The fiscal analyst's office is now a key part of the legislature, keeping track of state expenditures in all areas of government and advising the Legislature on fiscal matters.

He also advised Gov. George D. Clyde in establishing the State Budget Office, creating a system of executive budgetary control.

In 1969, he returned to BYU to direct the Institute of Public Management and to create a Masters of Public Administration degree. "Our program has turned out dozens of city managers, county executives and council of governments directors," Snow said. "We've had great success. Our graduates are scattered all over the West in important positions." Snow directed that program for nine years, especially enjoying the teaching part of the job. "I love to teach. That's the most satisfying aspect of being affiliated with a university."

Snow's most recent assignment at BYU was assistant vice president and director of development. He is now on an unpaid leave of absence.

He began his legislative career in 1972 at 42 years of age. "I did it on a fluke. I hadn't really planned to do it." There was some dissatisfaction with the Republican incumbent in the Senate district and Snow's neighbors and friends encouraged him to run.

"I filed on the last day, in the final hour. I was a complete unknown. I hadn't done anyting to lay any groundwork," he recalls. He defeated the incumbent and then the Democratic candidate. And in the rest of his 12-year legislative career, he never had another opponent. No one from either party ever filed against him.

"The Legislature was a great professional experience, as well as an opportunity to make a real contribution to the state," Snow said. His years of academic training and practical experience resulted in his sponsorship of dozens of bills in government reorganization to improve the conduct and efficiency of state and local governments in Utah. He rose to the position of majority leader in the Senate and was honored as one of 10 "Outstanding State Legislators in the United States."

"Some thought my approach in the Legislature was perhaps too academic, coming as I did from the university," Snow said. "But I learned to be very practical and to deal with the politics and the realities. All of those major bills required compromises among the many interests."

Snow also served for 12 years as chairman of the Constitutional Revision Commission, and played a key role in improving and updating Utah's constitution to meet the needs of modern society and address current issues.

In 1984, Snow ran for governor along with a half-dozen other Republicans, but did not make it out of the Republican state convention. "That race had a lot of positives. Losing was not a big disappointment. We got to know the state better and made a lot of friends."

Snow calls himself a conservative, but he is by no means an arch-conservative. "I believe that government has a positive role to play in society. But the role of government must be balanced with the role of the individual and the community."

He said that someone described him, after hearing him speak, as a "thinking conservative" and he likes that description. "I'm not one who is always suspicious of the national government just to be suspicious. They do many things very badly, and there are many things that must be straightened out. But some good things have also been done."

On a personal level, Snow said campaigning has been difficult, especially for his wife and family. Financially, it has been a burden because Snow is not wealthy. His wife has had to work to help support the family.

Especially difficult have been the questions about Snow's integrity and judgment because of his involvement with a man named Michael Strand and a penny stock deal. Snow himself lost money on the deal and he challenges anyone to find anything illegal or improper in his conduct. His detractors say he tried to distance himself from Strand and the stock deal when he was actually heavily involved.

Snow says the charges are misleading and unfair. They obviously are hurtful, he said, "but on a personal basis we know who we are and where we come from. So we ignore those kinds of things."

Snow said he is running because he felt that he was at a point in his life where he could use his experience and training to make a contribution to the district and the country. "I have a healthy respect for our state and community and the values and standards here. I want to protect them. I feel strongly about good government and I believe it can be a good servant. Government need not be an evil force. We do have some serious problems and I believe I can hit the ground running and help solve them."

This time he has to run without the help of his mother, but the hard work and values she taught him still serve him well.

ORTON

continued from pg. A-1

about the budget problems and savings and loan mess and what Congress could do about them. People in the class suggested that he ought to do more than talk about the problems; he ought to run for office and do something about them.

"I tried to dismiss the idea, but it kept coming back," Orton said. "Then I read that (Rep. Howard) Nielson was retiring. It became a compulsion. I couldn't leave it alone."

To that point in his life, Orton had led a relatively sensible, carefully reasoned existence. He wasn't given to taking crazy chances or going off tilting at windmills.

But he did it. He announced as a Democrat in perhaps the most Republican congressional district in the country. "It was something like jumping into a hornet's nest and slamming the door behind," he said.

The driving force behind the decision was this: "I just have become absolutely fed up with business as usual in Washington, D.C., and I know I can make a difference. I can help solve the problems. I decided that if people who can make a difference, who have the ability to make things happen, refuse to get involved because they don't want to upset their comfortable lives, then that's a shame."

The state Democratic Party had never heard of him. His family and friends were simply shocked.

The most unlikely thing about this is that Orton actually has a shot at winning. While still the underdog and still trailing in the polls, he has mounted the best Democratic campaign in the 3rd District since it was created. This is partly because his opponent, Karl Snow, has received negative publicity from his penny stock dealings. He has also benefitted from the anti-incumbent, anti-establishment sentiment among voters this election year.

But it's also because Orton has run a smart campaign. He has shown excellent political instincts, presenting himself as a candidate as conservative as the Republicans, while independent of the political establishment.

"I receive a very positive response from everyone I meet," Orton said. "I convert nearly everyone. They all like my message. The only trouble is having enough time to meet everyone."

During an interview with a reporter at a Murray restaurant, a man walking by recognized Orton, stopped and said, "I'm a born and bred Republican, but I want you to know that I like your ideas. You have my support."

Orton was born and raised in North Ogden, along with one brother and three sisters. He served an LDS mission to Oregon and earned a degree in anthropology and archaelogy from Brigham Young University. He also took a lot of accounting classes. He worked for the Internal Revenue Service during his college years and went to Oregon to work for the IRS after graduation.

A few years later he returned to BYU and earned a law degree, graduating in 1979. He worked for the IRS for a total of 10 years and also started a business holding seminars and workshops for other attorneys and CPAs on tax law. He still spends about one-third of his time teaching tax seminars. He figures he's taught more than 15,000 professionals all over the country.

He has been a corporate attorney in Oregon and is "of counsel" to the Atlanta law firm of Merritt & Tenney. He belongs to the Utah and Washington, D.C. bar associations and has taught accounting and tax courses at a number of universities, including the BYU law school.

Orton has been active in the American Bar last summer and enjoys riding him.

Orton is single, and that's a status he's somewhat sensitive about, being aware that the 3rd District is strongly family-oriented. He worries that his political opponents will insinuate that he doesn't share the values and family orientation of people in the district.

He is quick to point out that he does share those values and that he'd like to change his single status. "I've not had that opportunity and blessing (to be married) yet in my life," he says. "I'm actively looking. I want a wife and family. I believe that marriage is for eternity and is not a decision to be taken lightly. It just hasn't worked out for me yet."

When it was jokingly pointed out that in running for Congress he would meet thousands of people, including a lot of single women, Orton laughed and said he's not running for Congress to find a wife.

While Orton is running as a conservative, independent Democrat, some have questioned his ability to stay independent and conservative if he wins and the pressures of the Democratic Party and Democratic leadership are brought to bear on him.

He's convinced he can stay independent. "I say anyone who can run successfully as a Democrat in Utah's 3rd District, described as the most Republican in the country, will have no trouble being independent in Washington."

Orton has had difficulty raising money. As a decided underdog, he can't get much from national sources and Democratic donors are few and far between in the district. More money has come in, however, as he has shown he is a viable candidate. He figures to collect $30,000 to $40,000 in contributions and will spend $50,000 to $60,000 of his own money. Snow will outspend him 3 to 1, he expects.

Orton said the most difficult question, for him, of the whole campaign has been how to respond to something he has no control over — the criticism of Karl Snow's involvement with Michael Strand, who was convicted of stock fraud, and a penny stock deal that went sour.

While Snow has not been accused of anything illegal, investors who lost money say Snow was more involved with Strand than he has been willing to admit. Orton said he was advised by political insiders that the only chance he had to win was to capitalize on the dirty and bitter Republican primary election and make Snow and Strand the big issues of the campaign and criticize Snow at every opportunity in connection with the penny stock deal.

"I decided I would not go to Congress walking over the back of Karl Snow and pushing his face into the mud," Orton said. "I've refused every opportunity to run a dirty campaign. I've not done it. I don't want to go to Congress that way. If the public wants a dirty campaign, then they don't want me. If I have to abandon my personal values to win, then I don't want to be a congressman."

He said he told his staff that anyone involved in any way with Snow's problems would be fired. He said he told the state Democratic Party leadership that he would resign as a candidate if they became involved.

Orton has, however, managed to capitalize on Snow's problems by emphasizing his non-involvement and talking about how it is other Republicans who are criticizing Snow. He talks, for example, about how other Republicans question Snow's integrity and judgment.

Orton, himself, has has not been free of ethical questions. The State Tax Commission says Orton failed to pay sales taxes on a Mercedes Benz brought to Utah from Oregon. Orton was fined the amount of the sales tax, $1,200, and then was fined $1,320 in a "fraud penalty," according to press reports.

Orton disputed the tax and penalty, but

Congressional races heat up

PROVO (AP) — Not even the endorsement of Vice President Quayle could silence congressional candidate Karl Snow's critics, with the Republican's foes stoking the fires of the already hot 3rd ducted into Snow's relationship with convicted felon and stock manipulator Michael Strand. The investigation was conducted by Curtis Bramble, a Provo certified public accountant hired by Snow

N0002221

N000222

The Daily Herald

"Under pressure, people admit to murder, setting fire to the village church or robbing a bank, but never to being bores."
— Elsa Maxwell, American socialite (1883-1963)

Opinions

Thursday
Nov. 1, 1990
D7

Letters

Editor's note: We are using the spot normally reserved for the Herald comment to run letters to the editor concerning the current political campaign. There are also letters on page D8 today. After today we will not publish any additional letters relating to Tuesday's election. We encourage readers to continue to write concerning other topics and we will resume pubishing letters commenting on the political scene after Tuesday.

Remove food tax

Editor:

I will vote to eliminate sales tax on food. I have carefully considered both sides of the issue. Because of the weakening economy my family will have to learn to get along with a little less. The state and local governments can do the same, especially since the federal government just raised everyone's taxes last week.

The 2 percent reduction in the state's income which will result from eliminating sales tax on food will force state and local agencies to be more efficient with the money they have. It's a small reduction, not a crippling reduction. If any of them really raise other taxes to compensate I will be disappointed.

The past few tax reduction initiatives have been defeated sending the message to state and city lawmakers that we really don't mind the level of our tax rates. This gentle reduction will let them know we're reaching our limit and that we will probably elect those who share our attitude that precious tax dollars are a public trust to be used as wisely as possible to educate our children and provide a few other services that are appropriate for governmental agencies to provide.

The state spent millions of our tax dollars to defeat the last tax reduction initiative two years ago. It looks like they're doing the same thing this year. Utahns should not allow their taxes to be raised only to create surpluses which our state lawmakers spend weeks trying to figure out how to spend.

Let's eliminate the sales tax on food, then let's all work together to make our great state even better but spend just a little less to do it.

Out of woodwork

Editor:

Isn't it interesting whenever a petition is signed by the people, that would even hint of removing taxes, how the politicians come out of the wood work.

"We can't do that, if you do that we will have to remove support for the blind, old, childless, sick, hungry, lame, and mentally sick." Not once do you hear them say they could look at the waste, overspending, overstaffed or any other unnecessary expense.

In reference to the food tax ... why is it anyone else should hunt either." The first two words of that quote don't bother me. In this land anyone is free to hunt or not, as he chooses. But when it is said of a prospective legislator that he doesn't think anyone else should hunt, I wonder if he will impose on my right to hunt, and I (and 10,000 hunter-voters and members of the unorganized militia) may think twice about sending such a man to Congress.

I realize that mistakes can be made, and therefore wish to ask you to reply to these questions:

1. Will you defend the rights of responsible citizens to own firearms for legitimate and legal purposes such as hunting, sport shooting, or self defense?

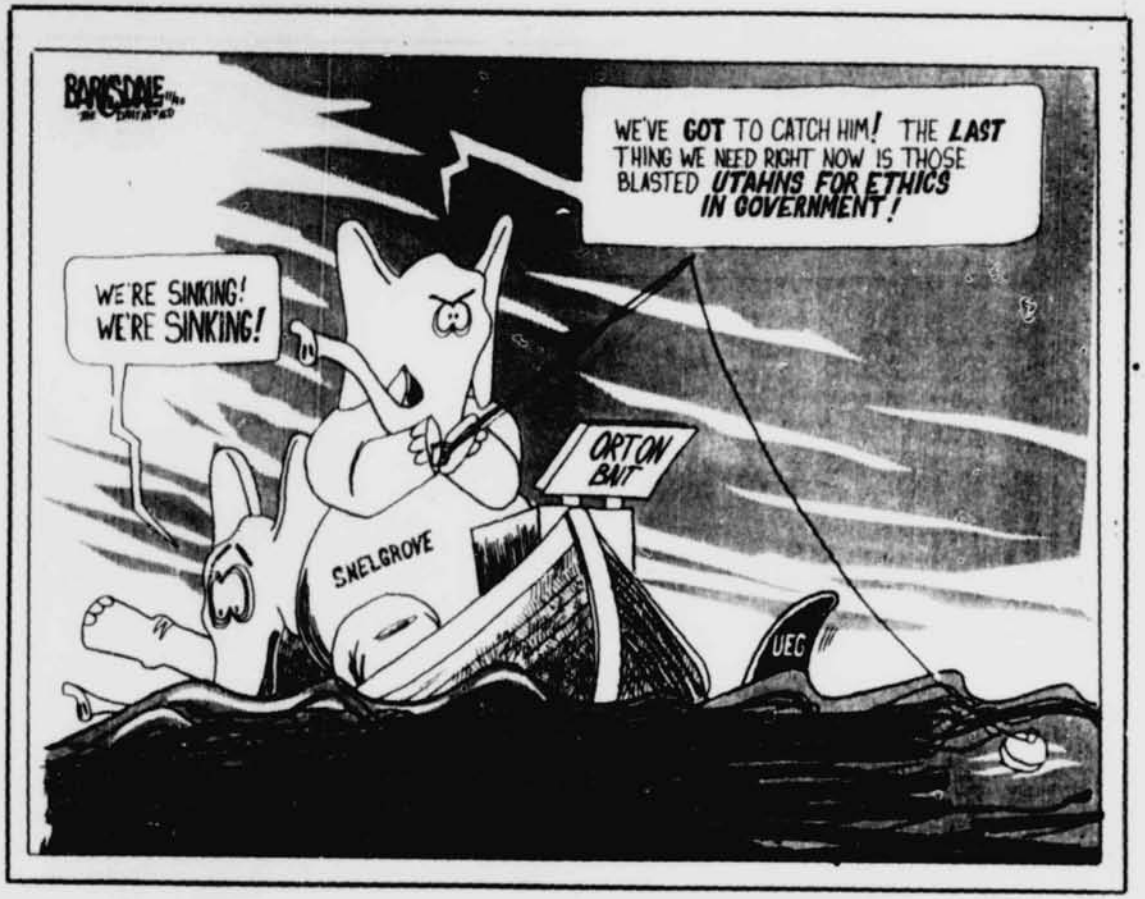
2. Will you defend the rights of the sportsman to pursue game within the law?

3. Will you resist efforts by anti gun factions to limit or remove this constitutional right? (And, please, don't waffle around by saying that the second amendment refers only to states' rights to have a national guard. There is now a court case that establishes that the national guard is not the militia.)

I sincerely ask you to answer these questions. Should you not answer, I will assume that your answers are "no" to the above and will vote for your opponent. I encourage all gun owners to carefully read the answers and vote to protect their rights.

I also invite Mr. Bill Orton to answer these questions and address the subject of the right of the people to keep and bear arms.

S. King
Provo



A math lesson for President Bush



Mike Royko

TRIBUNE MEDIA SERVICES

President Bush is peeved at Democrats in Congress for misleading Americans about taxes and saying he is a pal of the rich.

He says, "They've been getting away with this tax-the-rich class warfare kind of garbage that they always resurrect at election time."

Well, of course they have. But as a politician, President Bush should recognize it might be just garbage, but it is extreme-

with tin cans to beg."

"That's what they did in Russia and China and Cuba and Albania. What are you, a bunch of commies?"

"No, but how do you think most voters will react to what you're saying?"

"A good question. The answer is that as a result of my saying these true, but shocking, things my political career is now over. Which is why I take back everything I just said and will plead temporary

This year's election gives voter the opportunity to vote for a truly outstanding individual, Kay Bryson — Republican candidate for County Attorney. We know Kay and trust his leadership.

Kay has been a prosecutor in the Utah County Attorney's office for the past 3½ years. He has aggressively prosecuted hundreds of serious felony cases. Many have been brought to justice through Kay's efforts. With a large family of his own, it is no surprise that one of Kay's main concerns has been to keep our communities safe.

Unlike his Democratic opponent almost all of Kay's legal experience has been gained in Utah Valley. He knows our communities and their concerns. With his prior experience as a judicial law clerk, general practitioner, prosecutor, and judge he brings a broad background to the office of County Attorney.

In addition to his experienced background, Kay is a man of integrity. His honesty and sense of what is right will provide the leadership the County Attorney's office needs in the years to come. With Kay Bryson as our next County Attorney, we will have a strong voice for integrity and honesty.

We urge you to vote for Kay Bryson — Utah County Attorney.

Reid M. and Janice H. Hunter
and 20 other parties

Officer for Bryson

Editor:

I am a police officer and have been for the last 25 years. The nature of my job requires that I work with members of the Utah County Attorney's Office on a regular basis.

In the upcoming election, the voters will select a new County Prosecutor. It is difficult for voters to make a decision based on campaign brochures. Because I have almost daily contact with the prosecutors, I would like to give my opinion as to whom I would like to see elected.

Kay Bryson has been with the County Attorney's Office for about three years and I have found him to be a dedicated and efficient attorney. He is an honest and caring person, both as a prosecutor, and as a family man. He does an excellent job now, and will continue to do an excellent job if elected because he has the respect of those he works with.

I do not know Mr. Collins personally. I have heard him admit that he has never prosecuted a felony case in his career. The vast majority of cases the County Attorney's Office handle are felony cases. With the work load that their office handles, there is not enough time for a beginner to be the leader.

I would encourage all voters, if you have any questions, to call each candidate, ask them specific questions about their qualifications and reasons for running for this office. Please be informed when you go to the polls. It is important to all of us.

Gerald Nielsen
Orem

What about guns?

An open letter of inquiry to Karl Snow and Bill Orton.

As I was talking with an acquaintance of Karl Snow, he made the remark that Karl Snow "doesn't hunt, and he doesn't think ed[illegible] anyway. It is not the fault of the te[illegible] in my opinion; it is more the fault of the parents who do not monitor and assist the kids, or the schools, and find out what is going on. Stop hamstringing the discipline.

Some people say that food tax is the only fair tax where everyone has to pay. Well when you reduce a person down to the lowest denominator, no house, no car, no clothing, no medical, the one thing that cannot be removed and yet still live is food. I resent paying tax on the one thing that is essential to life. We can tax the pop, cigarettes, beer, uneatables, but take it off from meats, fruits, vegetables, bread and pastas.

It has been hinted lately that the U.S. Government is going to also tax food. When that happens, I am going to do just like a line from the movie network ... stick my head out the window and yell ... "I'm mad as hell and I'm not going to take it anymore."

Lucy Metcalf
Heber City

The consistent story

Editor:

Last week, Karl Snow lashed out at witnesses who testified that he lied about his involvement in the Global Oil scheme. One of these was Percy Kalt. As a neighbor of Percy's and a member of his LDS ward, I want to tell you what kind of a man Percy is.

Percy is one of the most gentle, unassuming people I know. He is the stereotypical sensitive and quiet musician, and he is beloved by everyone in his ward and neighborhood.

Hit with serious financial problems, and victimization in a fraud scheme all within months of each other, Percy reacted irrationally. But he never intended to hurt anyone, and he has admitted his mistakes and made reparations. Those who have not walked such a path cannot appreciate the emotional pressures he endured.

In recent months, powerful people pressured Percy to remain silent. He felt isolated and thought that no one would listen anyway. During this period, he refused to tell his story to the press. But now that he has come forward, I can assure you he is telling the truth. He told me the story in 1985, — including Karl Snow's involvement — shortly after the events took place, and his story has remained consistent through the years. If you study their respective statements, you must see that it is Karl Snow's explanations that are inconsistent, not Percy Kalt's.

Karl Snow's close relationship with a stock felon combined with his persistence in lying about that relationship make him unfit to represent this district.

Ken Murdock
Provo

Throw them out

Editor:

Will Rogers once said, "The only difference between death and taxes is death doesn't get worse every time Congress meets."

I say we throw all the scoundrels out.

Keith R. Hooker, M.D., Inc.
Provo

heeled. It's about 'fairness,'" he says with a straight face. [illegible]he goes off to tee it up with his rich [illegible]es, who forgive him because they know it's all part of his political con.

What else would President Bush have Democrats like Rostenkowski do — tell voters the truth? That would be exciting, but so is watching someone threatening to jump from a 10th-floor window ledge.

How would it sound if Rostenkowski went on a TV show with this routine?

"Congressman, as head of Congress' top money-grabbing committee, how much are you going to soak the rich this time?"

"We're not. The rich are already being thoroughly soaked."

"What?"

"That's right. Don't [illegible]edia types ever read the tax reve[illegible]statis[illegible]?"

"No, we only read our Tell-Prompt[illegible]Ters."

"Then you should. It says right here that less than 1 percent of all tax returns come from people in the $200,000-plus bracket. But that tiny minority is kicking in more than 15 percent of all the income tax revenue. Seems more than enough to me. Especially when you consider how little the lower brackets pay."

"How little? Everyone knows that the clipped?"

"Of course not. Look at the stats. 69 percent of all tax returns are people earning between zilch and $ That's a lot of people. But they are only 21 percent of all taxes. And under $10,000, about 30 percent of returns, are paying just about nothi if less than 1 percent of the taxpaye paying almost as much in taxes as 70 percent of the taxpayers, that fair to me."

"Yes, but the rich must be getting with something sneaky. What abo their tax shelters, those sly loophol heard so much about?"

"Ancient history. We killed most tax shelters back when we change brackets. And we're now getting rid few that remain. No, ladies and ge the media, we're squeezing the rich hard. In fact, if we take much m really won't be fair. Remember, th are really a tiny minority. And we crats believe in being kind to minorit

"But don't you realize that most cans want you to soak the rich mor more? They would be thrilled stripped them of every nickel they and sent them out on the street c

Casualty estimates temper



Jack Anderson
& Dale Van Atta

UNITED FEATURE SYNDICATE

WASHINGTON — Top secret Pentagon estimates in the hands of President Bush tell him to expect from 3,000 to 30,000 Americans to die in the first 20 days of a war against Iraq. As many as 10,000 U.S. soldiers could be dead in the first week, the reports say.

The most realistic estimate, according to the Pentagon, is that 15,000 would die in the first three weeks. And there could be some days to rival the bloody battles of the Civil War. The record for U.S. casualties in any one day of fighting is held by the Battle of Antietam during the Civil War. There, on Sept. 17., 1862, 22,728 Americans were killed, wounded, captured or missing.

If the Pentagon's highest Persian Gulf estimate is correct — 30,000 dead in the first 20 days — that would be nearly half the total number of Americans who died in the decade-long Vietnam War.

Those numbers have sobered President Bush and caused him to beat the drums of war more softly than he did when he first ordered troops deployed to Saudi Arabia in August. Beyond the horror of the numbers, Bush also knows that thousands of casualties would reverse his high popularity rating.

But, while Bush is appalled at the estimates, our White House sources say he is hardened by the fact that Iraq's President Saddam Hussein is banking on the low American tolerance for casualties.

According to U.S. intelligence reports, Saddam has his own casualty reports that make the American figures look like a skirmish. Saddam could expect 10 Iraqi deaths for every one lost American soldier. He wouldn't flinch at the loss of 10,000 of his men, but he knows that the United States would balk at the loss of 1,000 of its soldiers in the early rounds.

Outspoken former Air Force Chief of Staff Gen. Michael J. Dugan said it best before he was fired for his candor: "The American people will support this operation until body bags come home."

Special U.S. mortuary units and sands of body bags have been disp to the Persian Gulf along with two h ships and land-based medical unit thousands of beds. The Pentagon is l at high numbers of casualties, even Iraqis don't use chemical weapons. because there is no way to drive ba Iraqis without house-to-house fight Kuwait and perhaps Iraq.

There is no doubt that America swiftly win any air battles, but th Iraqi defensive lines are dug in wit fields arrayed in front of them. Iraq entrenched defensive warfare, helped them to beat back Iran for years. Dislodging Iraq from its fortified positions would take infant saults, which are always costly.

As a rule of thumb, an attacking should have a 3-1 advantage ov opponent in numbers of troops. But case Iraq would be on the defensive 4-1 advantage over the United States.

Arab forces allied with the United would make up some of the differe combined Arab force of about 30, holding down the front line at the Kuwait border at this moment. American troops are well behind

9704 383 0831

N000223

Letters

N000224

Questions motives

Editor:

The intent of this letter is not to defend the candidacy of Karl Snow in Utah's 3rd Congressional District race. It is, rather, to question the real motives of the so-called Utahns for Ethical Government. If the actions of this group are any example of their definition of ethics, heaven help us!

One must wonder how two separate investigations could clear Snow of any wrong-doing in the well-publicized failed merger of two penny stock companies if there was, in fact, any hard evidence to the contrary. If Snow was in fact involved, why was he not indicted and prosecuted along with Michael Strand?

No one would accuse Snow of being a brilliant stock analyst. But that does not mean that he is dishonest, or without personal integrity. It does say he's human, perhaps even gullible, or too inclined to give someone the benefit of the doubt.

The members of UEG who appeared in the televised news conference in which they accused Snow of lying, have, almost to the man, a personal ax to grind with Snow. So what is their strategy? Character assassination and unprincipled retaliation by (perceptibly) false accusers. (One can almost hear the familiar, but fading echoes of "Barabbas! Barabbas!")

If these kinds of attacks are allowed to persist, no decent, capable, honest person will want to seek public office. The mere declaration of candidacy opens the door to defamation of character, irreparable damage to one's integrity, career, family name, and personal reputation. Who needs it?

If Utahns, who of all people should know better, continue in this direction, they deserve what they will get in Congress: unprincipled, dishonest, manipulative, and self-serving representatives.

Keith Burris
Orem

Orton has vote

Editor:

Bill Orton, you have our vote!

We are disgruntled Republicans and now see we must vote for the best man — and not depend on the party to do our homework for us.

We are very disappointed in the calibre of the candidate supported by the Republican Party and see we must choose for ourselves.

We, too, are tired of those individuals in Congress whom we have voted to be our "servants," who have mistaken this calling and election and have put "we the people" into serfdom.

We're impresed with Bill Orton's credentials — especially his tax knowledge. Bill, we're giving you a chance — our votes — to represent us and make a new and refreshing change and difference in Congress and in Utah!

Good Luck!

June Tolman
Orem
Patsy De Vincent
Provo

wishes and does whatever he pleases; or the millions of taxpayer dollars lost through mismanagement at Timpanogos Mental Health Center; or tax advantages granted to large corporations by those who serve both the community and the corporation getting the tax break.

Some one out there isn't listening and I am getting angry. Politicians talk about their years of experience and how it should benefit us. Does it really benefit us or does it not make them indebted to these special interest groups who have extended favors, gratuities and reelection dollars.

As long as our elected officials are allowed to ignore us they will. We will pay the price by getting the representation we deserve. We ought to expect more.

Our elected officials, like our children, if not monitored will one day cause substantial grief. I've heard it said that money corrupts and power corrupts completely and that all that is required for evil to occur is for good men and women to sit silently. Speak up Utah County.

Ed Johnson
Lehi

His own medicine

Editor

It was with amusement and regret I watched Karl Snow on TV squirm and throw a temper tantrum at being accused of wrong-doing in his failure to disclose his true association with a penny stock convict.

Amusement? Because Snow is getting some of his own medicine. Let's go back to the days when we of the Watchdog of Sandy group — made up of Republicans, Democrats, Mormons and non-Mormons — successfully won a long, costly battle against Snow and his teammate, attorney William D. Oswald of RDA infamy. Snow, on a radio interview, called Watchdog people a radical, extreme rightist group. Why? Because we successfully defended our homes and property against Snow and the unfair RDA which attempted to steal our unblighted lands and homes for giving to rich developers.

Regret? Because, even though at this time I tend to lean more to Republican conservatism, I do not want Karl Snow to ever get back into political office. He is not to be trusted for fair treatment to a majority of his constituents. He will favor his special interest parties, and his own interests.

If Karl Snow does not want to be judged guilty by association, he should not associate with undesirables.

I hope the people say "no" to Snow. We do not want Snow to reign.

Clay Robinson
Sandy

Collins ashamed?

Editor:

Democrat C. Robert Collins, candidate for Utah County Attorney, is seemingly ashamed of being a Democrat. In his brochure, signs and ads he doesn't mention he is a Democrat.

Democrats in this county run scared that someone might associate them with the things their party advocates. Even Collins, in a bizarre statement on abortion, says "many people belong to groups that support one or two issues contrary to their personal beliefs." I can think of at least a dozen abhorrent things the national Democratic party supports. I wonder which "one or two" of these are distasteful to Collins.

Collins lists his experience: Six years as manager of a financial institution, three years in the military, undergraduate studies (four years), law studies (three years), two years "with" the Salt Lake County Attorney's office, 10 years as a police officer, and 10 years in private law practice. That adds up to 38 years and Collins is 43. Collins was not an attorney during the two years he spent "with" the Salt Lake County Attorney's office and couldn't practice law.

The brochure says "C. Robert Collins first came to the Utah Valley in 1960", making it sound as though he is a long-time resident. Actually, Collins came here to attend school in 1960, but has been elsewhere for most of the time since then. In fact, Collins has only been licensed to practice law in Utah since last October 3rd.

Collins says: "I am a trial lawyer, and I now teach law students how to be trial lawyers." A law school professor maybe? Not quite. Collins is a volunteer coach for a club of BYU law students.

Perhaps the most serious misrepresentation is Collins' use of statistics to show dissatisfaction with the County Attorney's office. Collins sites a recent study to show that a percentage of victims were unhappy with the work of prosecutors involved in their cases. The truth is the study was conducted based on cases in Provo handled by the Provo City Attorney's office as well as the Utah County Attorney's office. During the period of the study (1 more than 14,000 cases were h by the two offices. From 14,000+ cases only 42 were ul ly included in the study. statistics indicate that about 1 dissatisfied. The study only with cases occurring in Prov during the period of the surve Bryson was never assigned single case in Provo.

Stephen A

Wary of Snow

Editor:

Those forced to fight to properties from seizure by Cl and the unfair Neighborhood opment Act (Chapter 19) ge alarmed when we see Karl running for Congress. Sprin past Mayor Brent Hammond, Norm Nielson, and Jordon from Oak Hills also favor red ment.

When Snow was state sen 1982-84, the uproar against R Sandy from a citizen group le investigation, which resulted 253 to restrict the powers and es of RDA's. It easily pass house but was stopped by Sen with a rewrite. They stripped the rights and protections property owners and gave unl powers to RDA's to seize prop blighted or not.

Because of Snow's political tions — he feared unfavorabl licity — he grudingly reinstat protection stating a project must be restricted to building provements and lands whic "blighted." Snow knew witho clause a city (RDA Agency)

BEAT THE CHRISTMAS RUSH SAL

Don't Wait 'Til the Last Minute T

Stereo Rack System
Save $150 499.95
Reg. 649.95
Low As $20 Per Month • #13-1234

VHS Camcorder
Save $100 $899
Reg. 999.00
Low As $30 Per Month • #16-826

Handheld Cellular Telephone
Save $100
$399*
Reg. 499.00
Low As $15 Per Month •
Requires Charging Stand, plus AC Adapter or Mobile Mounting Kit. #17-1050

Desk or Wall Phone

THE NEW EASY-TO-USE SUCCESS GUARANTEED TANDY 1000 RL

TAND 1000 With Co Monit

Letters

N000225

s whatever he pleas-
illions of taxpayer
ugh mismanagement
Mental Health Cen-
vantages granted to
ions by those who
community and the
ing the tax break.
: there isn't listening
ng angry. Politicians
- years of experience
ld benefit us. Does it
s or does it not make
to these special inter-
o have extended fa-
and reelection dol-

r elected officials are
ore us they will. We
price by getting the
we deserve. We ought

officials, like our chil-
onitored will one day
ial grief. I've heard it
y corrupts and power
etely and that all that
- evil to occur is for
women to sit silently.
County.

Ed Johnson
Lehi

n medicine

amusement and regret
rl Snow on TV squirm
temper tantrum at
of wrong-doing in his
close his true associa-
ny stock convict.
? Because Snow is get-
is own medicine. Let's
e days when we of the
Sandy group — made
cans, Democrats, Mor-
mons and non-Mormons — successfully won a long, costly battle against Snow and his teammate, attorney William D. Oswald of RDA infamy. Snow, on a radio interview, called Watchdog people a radical, extreme rightist group. Why? Because we successfully defended our homes and property against Snow and the unfair RDA which attempted to steal our unblighted lands and homes for giving to rich developers.

Regret? Because, even though at this time I tend to lean more to Republican conservatism, I do not want Karl Snow to ever get back into political office. He is not to be trusted for fair treatment to a majority of his constituents. He will favor his special interest parties, and his own interests.

If Karl Snow does not want to be judged guilty by association, he should not associate with undesirables.

I hope the people say "no" to Snow. We do not want Snow to reign.

Clay Robinson
Sandy

Collins ashamed?

Editor:

Democrat C. Robert Collins, candidate for Utah County Attorney, is seemingly ashamed of being a Democrat. In his brochure, signs and ads he doesn't mention he is a Democrat.

Democrats in this county run scared that someone might associate them with the things their party advocates. Even Collins, in a bizarre statement on abortion, says "many people belong to groups that support one or two issues contrary to their personal beliefs." I can think of at least a dozen abhorrent things the national Democratic party supports. I wonder which "one or two" of these are distasteful to Collins.

Collins lists his experience: Six years as manager of a financial institution, three years in the military, undergraduate studies (four years), law studies (three years), two years "with" the Salt Lake County Attorney's office, 10 years as a police officer, and 10 years in private law practice. That adds up to 38 years and Collins is 48. Collins was not an attorney during the two years he spent "with" the Salt Lake County Attorney's office and couldn't practice law.

The brochure says "C. Robert Collins first came to the Utah Valley in 1960", making it sound as though he is a long-time resident. Actually, Collins came here to attend school in 1960, but has been elsewhere for most of the time since then. In fact, Collins has only been licensed to practice law in Utah since last October 3rd.

Collins says: "I am a trial lawyer, and I now teach law students how to be trial lawyers." A law school professor maybe? Not quite. Collins is a volunteer coach for a club of BYU law students.

Perhaps the most serious misrepresentation is Collins' use of statistics to show dissatisfaction with the County Attorney's office. Collins sites a recent study to show that a percentage of victims were unhappy with the work of prosecutors involved in their cases. The truth is the study was conducted based on cases in Provo handled by the Provo City Attorney's office as well as the Utah County Attorney's office. During the period of the study (1986-89) more than 14,000 cases were handled by the two offices. From these 14,000+ cases only 42 were ultimately included in the study. Collin's statistics indicate that about 16 were dissatisfied. The study only dealt with cases occurring in Provo, and during the period of the survey, Kay Bryson was never assigned to a single case in Provo.

Stephen A. Hales
Provo

Wary of Snow

Editor:

Those forced to fight to protect properties from seizure by City Hall and the unfair Neighborhood Development Act (Chapter 19) get very alarmed when we see Karl Snow running for Congress. Springville's past Mayor Brent Hammond, Orem's Norm Nielson, and Jordon Tanner from Oak Hills also favor redevelopment.

When Snow was state senator in 1982-84, the uproar against RDA in Sandy from a citizen group led to an investigation, which resulted in HB 253 to restrict the powers and abuses of RDA's. It easily passed the house but was stopped by Sen. Snow with a rewrite. They stripped away the rights and protections of the property owners and gave unlimited powers to RDA's to seize properties, blighted or not.

Because of Snow's political ambitions — he feared unfavorable publicity — he grudingly reinstated that protection stating a project area must be restricted to buildings, improvements and lands which are "blighted." Snow knew without that clause a city (RDA Agency) could seize any properties, regardless of "blight."

Stealing from poor property owners to give to rich developers has spread like cancer all over Utah for 10 to 15 years. It must be stopped! When people hear "We must privatize," we know it means transferring property titles from the people to the power mongers.

Look out for Snow, Norm Nielson, Tanner, and Hammond.

Millie Schulz
Springville

Cut taxes

Editor:

Citizens of Utah have an opportunity to cut taxes. The average American works from Jan. 1 to May 5 each year to pay taxes. Everyone seems to want taxes reduced and now is their chance to reduce them. We now pay sales and property taxes and many other user taxes. We should take this opportunity to send a strong message to our elected officials that we are serious about reducing our taxes. If the bill is not passed then the citizens of Utah desrve what they get and have nothing coming!

Dwight J. Barrett
Provo

Letters rules

Address letters to PO Box 717, Provo, UT 84603. They should be typed, double-spaced, and less than 400 words in length. Letters must be signed and include the writer's name, address — and a daytime phone number for verification.

BEAT THE CHRISTMAS RUSH SALE!

Don't Wait 'Til the Last Minute To Save on These Values!

o Rack System
499.95
Reg. 649.95
s $20 Per Month • #13-1234

VHS Camcorder
Save $100
$899
Reg. 999.00
Low As $30 Per Month • #16-826

Handheld Cellular Telephone
Save $100
$399*
Reg. 499.00
Low As $15 Per Month •
Requires Charging Stand, plus AC Adapter or Mobile Mounting Kit. #17-1050

Desk or Wall Phone

THE NEW EASY-TO-USE SUCCESS GUARANTEED TANDY 1000 RL

TANDY® 1000 RL With Color Monitor

Good Housekeeping

STUDENT REVIEW

BRIGHAM YOUNG UNIVERSITY'S UNOFFICIAL MAGAZINE·OCTOBER 10, 1990·YEAR 5, ISSUE 5



9704383083 4

US Bulk Rate
Paid
Permit No. 48

N000226

Mike Strand lacked credibility. Karl Snow had it. Strand borrowed it—and investors got burned.

Snow & The Penny Stock Tag Team

COMMENTARY

by Eric Schulzke

BYU MUSIC PROFESSOR PERCY KALT called Karl Snow in March of 1985 because Snow was a pillar of the community. If Snow said Mike Strand was OK, then Kalt would buy Strand's stock. Snow praised the stock, and Kalt invested—eventually loosing everything. This surprised Kalt, but it didn't surprise those who really knew Strand. You see, at the time that Snow encouraged Kalt to invest, Strand had only recently been released from prison and was still on probation for a felony. You guessed it— stock fraud.

It's situations like this that earn Utah the title of "America's Fraud Capitol." Operators use Bishops, Stake Presidents and other community leaders to lend credibility to reckless speculation and stock manipulation. And the trusting Mormon with an ingrained "Mormon Authority Reflex" is a sitting duck.

Mike Strand is a master of such deals. One law enforcement source calls Strand "the most despicable man I have ever met. You've heard that there is honor among thieves, but that does not apply to Mike Strand."

Last week we revealed evidence of BYU Administrator and Congressional Candidate Karl Snow's business relationship with Mike Strand. It was noted that this writer initially came across the documents as a volunteer for Snow's opponent in the primary. Snow, we said, discounts the documents as forgeries. But we pointed out that the documents stem from various sources and are almost certainly genuine. Now Snow faces statements from others who witnessed his involvement.

On Monday Snow Spokesman Clark Caras told us that Snow had never denied having any connections with Strand. But in fact, he has come very close. In the August 20 *Deseret News*, Snow said: "I never attended any board meeting of Global Oil. I never accepted any stock in that company, although it was offered. I haven't seen Michael Strand in four years *and have had nothing to do with his companies* (emphasis added)." Snow has made similar denials on many occasions.

Witnesses, along with the documentary evidence (*SR*, Oct. 3 1990), have now made Snow's denials untenable. And the fact that Snow has been less than honest is *in itself* now the issue that must concern the public.

> *"Strand was a blasphemer, and he didn't have credibility. But he would tell us that he had all these prominent guys in his pocket."*
> *— Herb Gleason*

John Darger

Strand Pulls Strings — John Darger of Riverton, Utah says he attended many meetings with Snow and Strand. Strand's interactions with Snow were frequent, Darger says. One scene in particular is vivid in his memory—both because it was so striking and because it occurred more than once. Strand would insist that Snow do something, and Snow would decline. "You are f—ing going!" to do it, Strand would bellow, pounding his fist on the table. Invariably, Snow would give in. "What Strand would say, Karl would do," Darger says.

Darger says, "when Strand first got involved, he told us that he had political connections who had pulled strings to get him out [of prison]." Strand also told Darger they needed someone with "influence" who could get things done. Darger says Strand told him, "I want Senator Snow to be involved." So he invited Snow down one day, and that was the first time I met him."

Darger sat in on various phone conversations between Strand and Snow. Some of these concerned stock prices. Darger says he remembers clearly that one "concerned the price of stock, that the stock needed some support in the market. I remember Strand telling him he was sure *he'd* make money."

Herbert Gleason

An Illusion of Legitimacy—"Oh yes," says Herb Gleason an investor who now lives in Lakeland, Florida, "It was clear Karl Snow was deeply involved from the beginning. We met Snow, Lyman Smart, and others—we met them all." (Lyman Smart, a bank officer, died under mysterious circumstances months after these events took place.)

In the Spring of 1985, Gleason attended several of Strand's meetings in which Karl Snow participated. Gleason says Snow *frequently* went in and out of an adjacent office to make phone calls. "Snow's name wasn't on the door, but we knew that it was his space. Snow was high and mighty. We felt we were not as important," says Gleason.

Gleason invested heavily, ultimately losing around $118,000. He also got friends including Percy Kalt to invest. The credibility borrowed from Snow and Smart was critical for all the investors, Gleason says: "Without their involvement, we never would have gotten involved. Their credibility swept us along."

Strand knew he lacked credibility, Gleason says. "Strand was a blasphemer, and he didn't have credibility. But he would tell us that he had all these prominent guys 'in his pocket.' They were there to establish his credibility."

Strand's antics at the meetings he and Snow both attended are nearly comic: "He [Strand] put people down. They would all defer to him. He would march around the room, scribbling figures on the board, swearing, gesticulating." Strand would sometimes even stand on his chair to emphasize a point.

Percy Kalt

The Perfect Target—"I never would have trusted Strand," says Percy Kalt of Provo. "To see him is not to trust him. But he told me about Karl Snow, Lyman Smart, and others." Kalt went to Snow for advice. "When I asked Snow about the company, he told me he was a major stock holder and a member of the board, and he said it was a good investment."

Kalt is a musician, a novice in the world of stocks, and the perfect target for this kind of scam. Kalt was initially contacted about this investment by Herb Gleason. At the time, Kalt had children on LDS missions and was struggling financially, so he considered the investment seriously—even though he would have to borrow the money.

Kalt recalls, "I went to the Boston Building in Salt Lake to visit Mike Strand, who told me that if I paid $25,000 for 7,000 shares, I could sell them in less that thirty days for three times their present value." Strand told Kalt that if he had any questions to talk to Karl Snow."

Snow Says Go — "I told Mr. Snow that I had been referred to him by Mike Strand on an investment proposal, and I understood that he could shed some more light on this. Snow said that, yes, he was a major stock holder. I told Mr. Snow that I would have to borrow the money, that this came at a difficult time when I had kids on missions and in college, and I didn't want to do anything that would put my meager finances in jeopardy. He assured me that this was a good thing. He also told me that he was a member of the board.

"I also asked Mr. Snow about what Mr. Strand had said about his release from prison—that it had been facilitated by Snow and that Snow felt that the IRS had put him in there unjustly. Snow confirmed this and said that Strand's conviction was a 'travesty.'" Snow told Kalt that Strand's conviction was an IRS problem, but Strand had actually been convicted for securities fraud and was still on probation.

> *"'I have six Jaguars,' Strand would say as he lit a new cigarette from an old one, 'your $23,000 means nothing to me.'"*
> *— Percy Kalt*

"I came away with the definite feeling that I should do it, since he said he was a major stock holder. He said he had bought some stock and that he had received some for services he had performed. He mentioned a figure of around 100,000 shares. I remember feeling that this was certainly a lot of stock, compared to my 7,000 shares, and that's why I remember the numbers distinctly." Based on Snow's assurances, Kalt invested. Mrs. Kalt also recalls her strong objections to the plan, noting that her husband repeatedly tried to reassure her by referring to those—including Snow—who were involved.

Anatomy of a Scam — Kalt wrote out a check on April 26, 1985. After an initial gain, Kalt's stock began a steady decline. All the while, Strand assured Kalt that it would turn around. Finally, when his stock was next to worthless, Kalt approached Strand again. This time, Strand offered to transfer his stock to another company, Atlantic Mining Inc. Kalt agreed, and then watched this stock collapse. Meanwhile, the stock he had just traded to Strand mysteriously began to rise. (This should give the novice a sense for how a stock fraud scheme works.)

Now when Kalt talked with Strand he was treated disdainfully. "I have six Jaguars," Strand would say as he lit a new cigarette from an old one, "your $23,000 means nothing to me." This was the man with whom Kalt invested based on Snow's character reference.

Kalt now asked Snow for an explanation, but Snow immediately distanced himself from the affair. "Don't get me involved with this. I have nothing to do with it," Snow said. Kalt's investment was a total loss: $23,000 plus interest on the loan.

Financially ruined, at his wits end, and stifled in his attempts to seek justice, Kalt took matters into his own hands. He attempted to bomb Strand's house. The events which followed can, in light of the above, be viewed with a significant degree of sympathy. Kalt, who had been a respected professor at BYU, now found himself in legal difficulty, out of work, and struggling to put bread on the table. Today, he lives in the basement of his own home, the main part of which he rents out to help cover his debts.

Your Old Friend Karl — In August of this year, Kalt returned from vacation and found a message from one of Snow's aides on his answering machine. "We know you've been leaking information about Snow's relationship with Strand to the media," the voice said, "and we wondered why you would do such a thing." Kalt called Snow to tell him that he had been on vacation and knew nothing. "I'm glad to hear that," Snow replied.

This was not the only attempt to intimidate Kalt. On September 27, after reading a draft this writer's first article, Karl Snow again called his old friend Percy Kalt. Kalt describes the call: "This call lasted over an hour. He tried to justify himself to me, and tried to plant thoughts in my mind as to what I should remember about the affair." Snow said he had not told Kalt of having 100,000 shares of Global stock, but that it was actually 100,000 shares of another Strand outfit.

Kalt says Snow "also denied having been an officer in the company and denied having helped Mike Strand out of prison. Twenty minutes later, we broached the subject again, and I said, 'Mike Strand gave me your name and said that you had helped him get out of prison when the IRS had put him there.' Snow said 'Yes, that's true.'" Charitably, Kalt did not point out the contradiction.

Kalt says Snow then said that he "would like me to sign an affidavit that he had not influenced me to invest and that he had not said that he was involved. He said that he would have someone contact me."

Conclusions

1) **The statements of Darger, Kalt, and Gleason are plausible and consistent with each other and with evidence in court files.**

2) **When we asked Clark Caras about Kalt, Darger, and Gleason, he answered, "Snow has done nothing legally, morally, or ethically wrong." The last two are certainly debatable, while the first is beside the point.**

3) **Whether Snow was "used" is not important. What if he was "used"? This is precisely the point. If he succumbs to Strand, how will handle the ethical complexity of Washington? If he was a pawn, then he is easily manipulated and is a poor judge of character.**

4) **Caras asked us why no one has pointed these things out before. Here's why: To speak of a man's wrongdoings is normally gossip. But someday the priest may ask "does anyone knows a reason why this couple should not be wedded," adding, "speak now or forever hold your peace." At that moment, what was gossip becomes a *civic duty*. It is for precisely such a reason that no one brought this information out before—and why they do so now.**

5) **An attorney and a CPA are looking into the records. Hope for the best, but expect the worst. Expect a whitewash. Expect them to answer questions that weren't asked. Questions like: Is there evidence of any specific illegality? Just remember Percy Kalt.**

6) **Perhaps Snow's arrogance to date rests on well-founded confidence that the public and press will continue to handle him with the kid gloves he has enjoyed to date. If he gets away with it, it will be a sad reflection on Utah.△**

N000227

N000228

STUDENT REVIEW

BRIGHAM YOUNG UNIVERSITY'S UNOFFICIAL MAGAZINE·OCTOBER 3, 1990



US Bulk Rate
Paid
Permit No. 48
Provo, Utah

9704383083 6

N000229

In September, he ran on "integrity." By November, he may be running on empty.

The Questionable Karl Snow

ANALYSIS

by Eric Schulzke

A BYU administrator and congressional candidate has had close ties to a convicted felon. His denials in the face of substantial evidence raise serious questions.

Records have come to light in recent weeks indicating that BYU Administrator and Congressional Candidate Karl Snow appears to have misrepresented his connections to convicted felon Michael Strand, Global Oil, Unique Battery, and a penny stock deal that probably cost one life and seriously disrupted the lives of others.

At present, there are more questions than answers. But the gravity of the questions combined with the lack of answers should concern every voter in the Third Congressional District.

This writer initially came across the documents as a volunteer for Snow's opponent in the primary. The allegations and the documents themselves were brought to light by various individuals who had been involved with the stock transactions outlined below.

The Players

The main figure in this confusing narrative is Michael Strand, a stock manipulator twice convicted for securities fraud and most recently released from custody only a few weeks ago. Strand's *modus operandi* is to control companies from the sidelines. Global Oil was no exception. In Global, Strand's wife, Lois, was the largest shareholder while Strand himself controlled the company. (The Strands, by the way, donated about $7,000 to Snow's 1984 campaign for governor.)

Unique Battery was a legitimate company with which our second figure, John Darger, was involved. Darger was directed to Strand by a bank officer when the company needed research capital. Strand became deeply involved with Unique, eventually attempting to merge it with his own Global Oil in 1985. Such mergers are a common stock manipulation technique. The merger fell through, and lawsuits and countersuits are still pending between the principals in the two companies.

The story is confusing, and it will probably take months for the media and the public to sort it out. However, the reader who keeps three things in mind will grasp the most significant points: (1) Mike Strand has been twice convicted of securities fraud—once before those events and once after. He was still on parole for his first conviction when these events took place. (2) Karl Snow has categorically denied any connection to Strand's businesses. (3) These events seriously disrupted the lives of many people.

Snow has emphatically denied involvement with Strand's companies, ever being an officer or a director in Global Oil, or even owning stock. Only recently has he admitted to owning a small amount of stock, but it seems even these admissions are inadequate.

In the August 20 *Deseret News*, Snow makes one of several emphatic denials: "I never attended any board meeting of Global Oil. I never accepted any stock in that company, although it was offered. I haven't seen Michael Strand in four years and have had nothing to do with his companies." A more complex picture has begun to emerge, however.

Deep and Broad Connections

• Darger's sworn affadavit in court files indicates that he was president of Unique Battery when he was introduced to Michael Strand as a man who could supply research capital. Darger has since said that Strand, in turn, introduced him to Snow. Strand described Snow to him as a person of "influence" who could get things done. Darger says that it was at Strand's urging that Snow was made a director of Unique and later of Global Oil.

• Stock reports and interrogatories indicate that only a few people received free stock in Unique Battery. At least two, a banker and a legislator, may have received stock for lending credibility, or, as an Atlas interrogatory puts it, "for separate and additional consideration other than the reorganization of Unique Battery." The banker, Lyman Smart, apparently committed suicide several months after the merger fell through. The legislator was Karl Snow.

• There is good reason to believe that Snow was instrumental in securing Strand's parole from prison after his first conviction. Keep in mind that Strand was still on parole for a fraud conviction when these events took place.

• Darger said he has been present many times with Strand and Snow together in meetings. Snow, Darger says, generally treated Strand deferentially during these meetings.

• Atlas Stock Transfer reports show Snow holding stock in '85, '86, and '87. One report shows six different stock transactions involving Snow over an eighteen month period. The reports show additional stock issued to Snow's mother, Wanda, and to his son, Rodney. Snow initially denied owning any stock, but he since admitted to buying about 11,000 shares. The Atlas report shows Snow with 117,500 shares in his name and and an additional 5,666 for his mother and his son. Snow suggests that the stock was held without his knowledge. This is conceivable but highly unlikely, especially since the SEC requires frequent reporting of stock transactions *and each report lists Snow's current Provo address.*

• As late as 1988—after Strand's second securities fraud conviction—records show that Snow's 100,000 shares of Global Oil stock were transferred to M & L Investments, another Strand company. M & L likely stands for Michael and Lois, as in Michael and Lois Strand.

Obfuscations and Deflections

• Snow claims that he was never an officer, a director, or a shareholder in these companies. However, court documents and company minutes list him as a vice president, a director, and a shareholder in Global Oil and / or Unique Battery. Snow says, accurately, that he was never registered as a director or an officer with the state. But in fact, the corporation was suspended for failing to register its officers over a lengthy period—precisely the period during which Snow apparently was an officer. The corporation filed with the state in January of 1985, and Snow was elected an officer on February 25 of that year. Finally, in mid-1986, the corporation was suspended for failure to file a report. The fact that Snow is not listed with the state in itself raises questions of impropriety. In any case, he could still have functioned as an officer during that period.

• Snow says that he has never manipulated penny stock and wouldn't even know how to do it. But that is beside the point. At the moment, the question concerns his close association with Strand and the possibility that Snow may have lent his credibility to the arrangements.

• Snow pointed out to us that some of the documents spell his name with a "C" rather than a "K." In fact, the Secretary-Treasurer, Ronald Sorth, did spell Snow's name with a "C" when he (Sorth) resigned from the company. In his resignation letter, Sorth notes that he sent a copy to "Carl Snow, V.P." Sorth was likely responsible for the company's minutes, and the misspelling in his letter would thus be consistent. However, Snow's name is spelled correctly in the stock reports and numerous other documents.

• Snow claims that his signature has been forged on these documents. Of the two signed documents in this writer's possession, one is probably not in Snow's hand, while the other almost certainly is. The "forged" signature may have been signed with Snow's approval, however, since his signature was not needed and there was no motive to forge it. Snow's actual signature appears on an agreement for the planned merger of Unique and Global.

• Snow points out that he was not named in a suit involving Global and Unique. But also missing from the list was Lois Strand, the largest shareholder. Obviously, being excluded from that list says nothing about the extent of a person's involvement with Strand.

• When asked about the documents showing Snow's involvement, Strand has claimed that Darger frequently forged prominent names. But this answer is untenable given that one of the documents, showing Karl Snow sandwiched between the now deceased Lyman Smart and Lois Strand, was an interrogatory prepared by Strand and his secretary—not by John Darger.

• Snow has carefully spoken in terms of physical presence: "I have not seen Strand for over four years." "I did not *attend* board meetings," etc. Darger confirms that, indeed, Snow was sometimes *not* present at the meetings. But Darger says Strand usually had Snow on the telephone during such occasions, relating the proceedings to him as the meeting progressed.

Observations

1) *It's difficult to avoid concluding that Karl Snow has misrepresented the facts.* The only other explanation would be that he is exceedingly inept, but even this requires more faith and charity than the situation allows. Even if he had done nothing *illegal*, such apparent misrepresentations on the part of a public figure would be cause for concern.

2) *The array of documents is impressive.* When we asked Snow about the documents, he said that they were "fraudulent." But most of them are in court files, and they stem from a variety of sources: interrogatories prepared by Strand, resignations of officers, sworn affadavits, stock transfer reports, etc.. It is highly unlikely that they are phony. Mark Hoffman himself would have had a hard time fabricating this one.

3) *In light of the documentary evidence, Strand's and Snow's denials are simply not credible.* On the other hand, Darger's statements are plausible and consistent with the evidence already in court files.

4) *Public figures rarely risk such misstatements unless the stakes are high.* If Snow does not promptly offer explanations, people may suspect that he is hiding something for a reason.

5) *It is in everyone's interest to investigate this matter thoroughly.* Utah is already known as the fraud capitol of America. Given that reputation, any degree of involvement in such matters on the part of public figures cannot be taken lightly.

6) *Utah's media are either lazy or understaffed.* Many newspapers and television stations have had these very documents for months. Yet most have failed to make the most elementary deductions.

7) *Only the full truth will do.* The Strand connection is not a petty matter because Michael Strand is not a petty thief. Aware that articles including this one were in the works, Snow finally asked a CPA and a lawyer to look into the matter last week. These investigators should take care lest they find themselves defending the indefensible.

8) *Karl Snow is asking the voters to trust him.* He may be asking too much. Δ

Campus Venture
PRESENTS
The Lion's Den will be viewing six video presentations by popular campus speaker Josh McDowell. There will be discussion after the presentation.
TIME: Friday, 8:00
PLACE: Wilkinson Center, Room #394

October
Josh McDowell set out on an intellectual adventure determined to prove that christianity was a hoax. After 2 years of intensive study he emerged a man deeply commited to Christ, a man able to give solid evidence of his faith, and a man ready to share those answers with others.
12- A Skeptic's Quest
It's okay to have doubts, to have questions reguarding your faith. Josh shares how questioning actually strengthened his faith and brought him to a deeper knowledge and understanding of the scriptures.
19- Misconceptions of Christianity, Part I
26- Misconceptions of Christianity, Part II

November
The Uniqueness of the Bible
The Reliability of Scripture
Messianic Prophecy

CAMPUS VENTURE IS AN INDENOMINATIONAL CHRISTIAN GROUP

9704383083838

STUDENT REVIEW

BRIGHAM YOUNG UNIVERSITY'S *UNOFFICIAL* WEEKLY MAGAZINE·OCTOBER 17, 1990



FOCUS

AIDS: Love with the Proper Stranger
—page 6

ARTS & LEISURE



The Heartbeat of America
—page 14

COMMENTARY

Karl Snow's Signature Raises Questions of Tax Fraud
—page 10

OPINION



Book-burning
—page 3

US Bulk Rate Paid
Non-Profit—Permit No. 48
Provo, UT



N000230

9704383083 9

COMMENTARY

Karl Snow's Signature Raises Quest

by Eric Schulzke

On February 5, 1985, Karl Snow signed a "Plan and Agreement of Reorganization" which merged Unique Battery (U.B.S.I.) into Global Oil Company. We've reprinted the document below. It was signed and executed by the officers of both companies. It is not a proposal. It is a binding legal document. Karl Snow has admitted to signing it. It is, said one attorney who studied it, the one document he should have denied.

Snow signed the agreement as a "Seller." In the opening paragraph, the agreement defines "Sellers" as the "twenty-three natural persons who are the individual owners of all the issued and outstanding shares of U.B.S.I." By signing the document, Snow declared that he was one of these shareholders. To understand the problems the document raises, some generalized legal knowledge is necessary.

A Basic Course in Tax Law

1) Whenever anything of value is received or transferred, tax consequences may result. Anytime you receive stock for services you have or will perform in the future, it must be reported as taxable income—just like cash. If you receive stock in a company, and you did not pay for it in cash or other property, you must report the value of that stock as income on your tax return.

2) To knowingly fail to report taxable income, or to execute false documents to evade payment of tax liability, is tax fraud. Tax fraud is a federal felony, punishable by prison and a fine.

3) The completion of a felony is sometimes difficult to prove. Therefore, conspiracy to commit a felony is also a felony. In this case, conspiracy to commit tax fraud would entail conspiring to receive stock in a tax-free transaction which knowingly would not qualify for tax-free treatment. Conspiracy does not require completion of the felony, but merely planning to do so.

4) There is a method whereby stock may be received in a tax-free transaction. It is called a "Type C Reorganization". If you own stock in a company ("target company") that is being merged into another company ("take-over company"), then you may receive a proportional amount of stock in the new company without tax liability on the disposition of your old stock or receipt of the new stock. The purpose of such a merger is to spare the stockholders tax liability since they have not changed the nature of their stock investment.

5) To qualify to receive the new stock tax-free, you must already own stock in the old company. If you don't own stock in the "target" company, and you receive stock in the "take-over" company, and you did not pay for the new stock, then you must report the value of that stock as taxable income on your tax return.

Ownership in Unique Battery

Does ownership of stock in Unique Battery implicate Snow in tax fraud? The document Snow signed states that he owned stock in Unique Battery. When did he purchase it? How much did he pay for it? According to his accountant, the value of the Unique Battery stock was not included on Snow's tax returns. If Snow did own the stock, and did not pay for it, why isn't the value of the stock reported in income? If Snow did not own the stock, why did he sign a false document stating that he owned the stock? Apparently, the only answer which would avoid tax fraud for failure to report the value of the Unique Battery stock is that "I never held any Unique Battery stock."

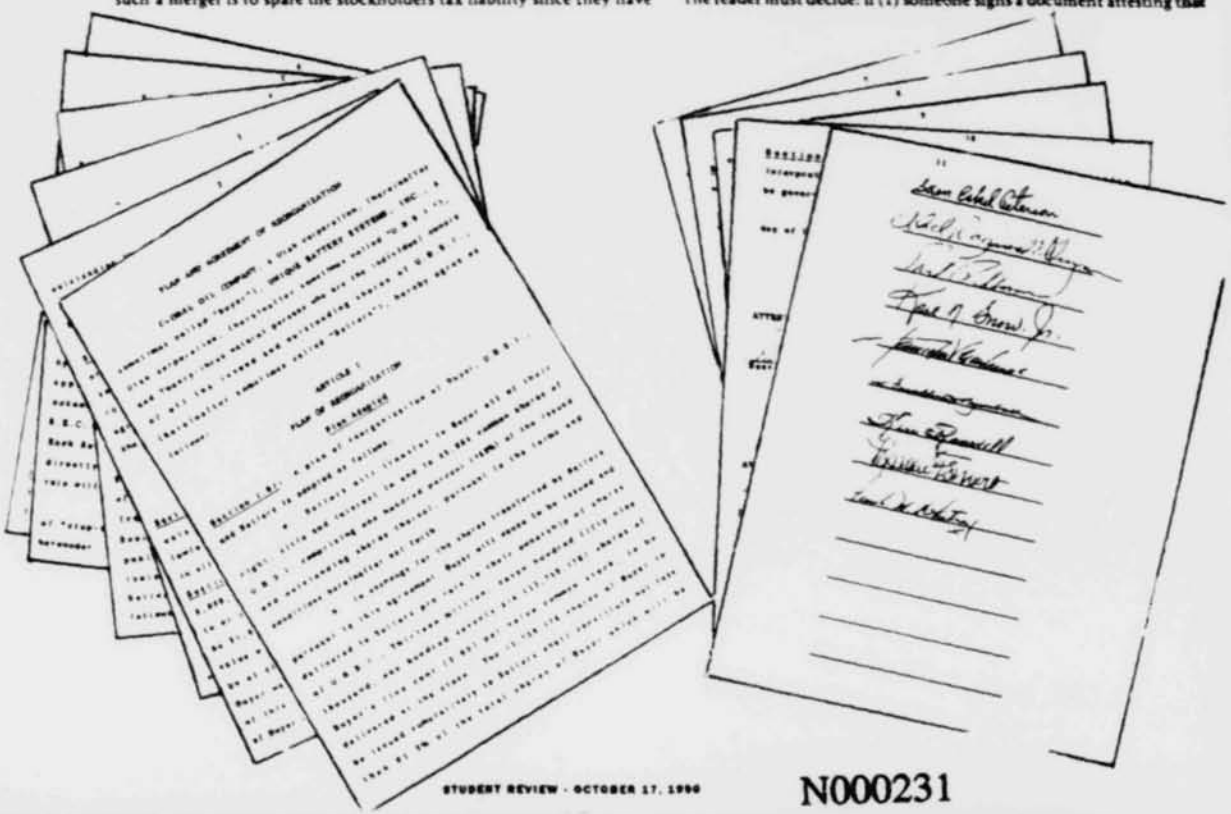
Of the 23 stockholders referred to in the February 5 merger agreement, 19 were added on February 1. These additional stockholders were added so they could be included in the merger on February 5. Former Unique President John Darger has said that Mike Strand told him the new names must be added so they could avoid tax liability. Some of the new "stockholders" actually paid money to purchase Unique Battery stock. Others did not.

The following is quoted directly from the October 6 *Deseret News* :

"Unique Battery documents show that Snow signed a reorganization plan, saying he held shares of Unique Battery stock that would be transferred to Global Oil for Global stock. Snow admits he signed the document. 'It is a perfectly legal way to transfer stock without incurring a tax liability. I never held any Unique Battery stock, however.'"

The document Snow signed is not a proposal. It is not preliminary. It is a legally binding agreement. In it, Snow claimed he was one of 23 shareholders in Unique. Now he says he knew that he never had any Unique stock, but that he knew the purpose the merger was to avoid "tax liability."

The reader must decide: If (1) someone signs a document attesting that



N000231

Quest ions of Tax Fraud

it.
, you must already own
n the "target" company.
ny, and you did not pay
e of that stock as taxable

plicate Snow in tax fraud?
stock in Unique Battery.
y for it? According to his
ock was not included in
nd did not pay for it, why
If Snow did not own the
that he owned the stock?
id tax fraud for failure to
is that "I never held any

February 5 merger agree-
itional stockholders were
er on February 5. Former
e Strand told him the new
liability. Some of the new
ase Unique Battery stock.

October 6 Deseret News
w signed a reorganization
tery stock that would be
now admits he signed the
er stock without incurring
ery stock, however."
il. It is not preliminary. It is
laimed he was one of 23
hat he never had any Unique
merger was to avoid "tax

is a document attesting that

they own stock in Company A, (2) they know the purpose is to receive stock in Company B without tax liability, and if (3) they did in fact not own the stock in Company A, is that not at least "conspiracy to commit tax fraud?"

Cracking the Stock

Assume for the sake of argument that Snow did not hold Unique Battery stock even though he signed the document stating he did. Is there possible tax fraud in receipt of the Global Oil stock?

To carry the logic beyond conspiracy, we must ask if the stock was ever issued. Apparently it was. Atlas Stock Transfer reports show Karl Snow with 100,000 shares of Global stock. In 1988, this same stock was transferred to M&L investments. M&L stands for Michael and Lois Strand. Snow admits that he signed the stock transfer sheets which transferred this stock to Strand. On October 9, *The Daily Herald* reported that to facilitate the transfer of the stock, Strand stated that he "asked Snow to endorse back of some certificates and execute several blank stock powers for other certificates. . . . Snow's signature appears on the stock certificates, or stock power." Snow admits this: "I did give Mike a stock power—that is a common procedure in these matters." (*Deseret News* , October 6).

In the same article, however, Snow says he was unaware that the stock was held in his name: "It appears that I was used in this, that someone was trading on my name. I didn't know about it then. I never would have allowed it."

Snow signed the merger agreement by which he was to obtain the Global stock. An independent transfer company says the stock was issued to him and lists Snow's current address. Three years later, Snow signed documents to transfer that same stock over to Michael Strand.

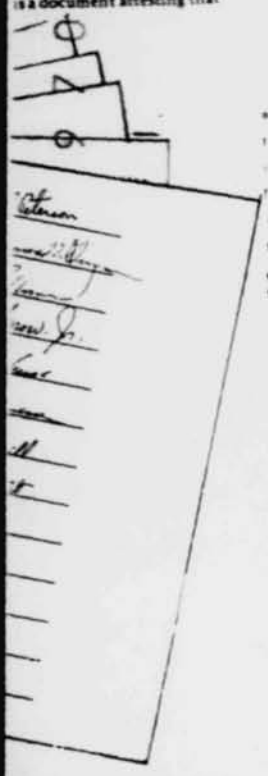
How can someone transfer stock without owning it? Would anyone sign a stock transfer power if they didn't have power over that stock? Would a prudent man sign a stock transfer certificate, giving power to Michael Strand—a man twice convicted of stock fraud—without being fully aware of what it was and why he were signing it?

Apparently, the stock was issued to Snow in accordance with the agreement he signed on February 5, 1985. Snow claims the merger broke up, but not before the stock was issued. If it is true, as he claims, that he never owned any Unique Battery stock, then he was not elligible for tax-free treatment on the receipt of the stock in Global Oil. When the Global Oil stock was issued, Snow would be required to report the value of the stock on his tax return.

Within sixty days of the agreement, Percy Kalt paid $5.00 per share for Global Oil stock. The value of Snow's would be $500,000. Snow's CPA states that the value of the stock was not reported on his tax return. Even if Snow were acting as a Nominee for Mike Strand, as claimed by Snow's CPA, that is no defense. A nominee must report on his own tax return all stock transactions conducted in his name as a nominee for another person. But there is no indication on any of the documents that he was a nominee, and according to his own accountant he made no such report on his tax returns.

In summary, the facts indicate the following: 1) Snow signed a document claiming to be a

see *Snow* on page 14



PLAN AND AGREEMENT OF REORGANIZATION

GLOBAL OIL COMPANY, a Utah corporation, (hereinafter sometimes called "Buyer"), UNIQUE BATTERY SYSTEMS, INC., a Utah corporation, (hereinafter sometimes called "U.B.S.I."), and Twenty-three natural persons who are the individual owners of all the issued and outstanding shares of U.B.S.I., (hereinafter sometimes called "Sellers"), hereby agree as follows:

The opening paragraph of the document in which "sellers" are defined as shareholders in Unique Battery.

b. Sellers are persons of sufficient business sentience to evaluate this transaction.

"sellers" attested that they knew what they were doing.

Karl N. Snow, Jr.

Karl Snow's acknowledged signature as a "seller" declaring that he held stock in Unique Battery.

***Editor's note:** Due to time and space restrictions, we were not able to provide Mr. Snow an opportunity to respond in this issue. Next week, Mr. Snow will be given 1,000 words unedited to respond to this article and to the statements of Percy Kalt, John Dougal, and Herb Gleason which appeared in last week's issue.*
We were also unable to print the supporting documents in their entirety, but they are available to the public. To view the documents call 377-2980.

The Torch
Cuban Restaurant



Luncheon Specials $2.99
Dinner Specials $3.99

The Best BBQ Chicken, Ribs and Shakes in Utah! You'll Love It!
European Style Cooking. Not spicy.
95 S. 300 W., Provo. 377-8717
Open Mon-Thu 12-10 p.m., Fri-Sat 12-11 p.m. (Closed Sunday)
We reserve the right to limit.

COME IN AND TRY OUR SHAKES
WE SERVE THE FOLLOWING:

Peach-Mora	2.75	Chocolate	1.25
Peach-Chocolate	2.75	Vanilla	1.45
Peach-Pineapple	2.75	Pineapple	1.25
Pineapple-Guava	1.75	Peach	2.75
Pineapple-Chocolate	1.75 +	Strawberry	2.75
Strawberry-Peach	2.75	Banana	1.25
Strawberry-Pineapple	2.75	Peanut Butter	1.55
Strawberry-Chocolate	2.75	Orange	1.95
Strawberry-Banana	2.75	Passion Fruit	2.75
Chocolate-Peanut Butter Malt	1.85	Papaya	1.89
Chocolate-Banana Malt	1.85	Lime	1.55
Chocolate Malt	1.85	Wheat	1.55
Chocolate-Vanilla	1.35	Malt	1.85
Wheat-Banana-Chocolate	2.25	Mora	2.99
Papaya-Lime	1.89	Mango	2.75
Coralia	1.89	Tamarindo	1.89
Mamey	2.25	Guanabana	2.25
		Pina Colada	1.85

. . . AND MANY MORE. YOU CAN EVEN CREATE YOUR OWN!

6 piece BBQ Chicken **$1.99** Expires 10-24-90 Not valid with any other offer. One coupon per party

Passion-Fruit Pineapple Shake Buy one get one **FREE** Expires 10-24-90 Not valid with any other offer. One coupon per party

Orange Shake Buy one get one **FREE** Expires 10-24-90 Not valid with any other offer. One coupon per party

HALLOWEEN MAKEOVERS



Make your appointment now for a Halloween Makeover by a professional makeup artist

Here are the characters we're brewing up!

Taylor Maid Beauty Supply
"Your Halloween Headquarters"
125 North University Ave., Provo
375-7928

N000232

stockholder in Unique Battery in order to aquire tax-free stock in Global Oil.

2) Snow never paid anything for the Unique Battery stock, and did not report its value on his tax returns.

3) Snow did not, according to his own statement, at any time own stock in Unique Battery.

4) According to Snow's own statement, a primary purpose of the document Snow signed was to "avoid tax liability."

5) 100,000 shares of Global Oil stock were in fact issued to Snow pursuant to the agreement.

6) Snow's signature appears on stock in 1988 transferring that 100,000 shares to a trust owned by Mike Strand.

7) Snow *never* reported the Global Oil stock on his income tax return.

8) Snow *never* reported holding the stock as a nominee.

You, the reader, must ask whether all of the questions have been asked and answered, and whether you would feel safe from the IRS if you had performed these transactions.

Notes

1) Legally, you cannot say you did not know what you were signing. An acknowledged signature will be admitted in court as evidence to the truth of the matters or events contained in the document. It is no defense to say you didn't read the document. It is no defense to say you were stupid.

2) The fact that only eleven of the twenty-three stockholders signed this document is irrelevant. The stockholders could sign separate duplicates of the document and the agreement would still be valid. They don't all have to sign the same copy. More importantly, Snow's signature legally binds him, attests to his understanding of the document, and stands as evidence of his intent.

3) Whether Snow had possession of the stock certificates is immaterial. All that matters is that he received something of value (stock) and knew he had a title to it. Snow's signature on the document acknowledges he had received title to stock in Unique Battery. Snow's signature on Global Oil stock transfer certificates by which the stock was transferred in 1988 demonstrates that he knew he held title to that Global stock.

4) The report of the CPA Snow hired to clear him is seriously flawed. To conclude, as they did "We are convinced it [the stock] was transferred without his knowledge" after reviewing the evidence discussed above requires an extraordinary leap of faith. It is an unwarranted conclusion.

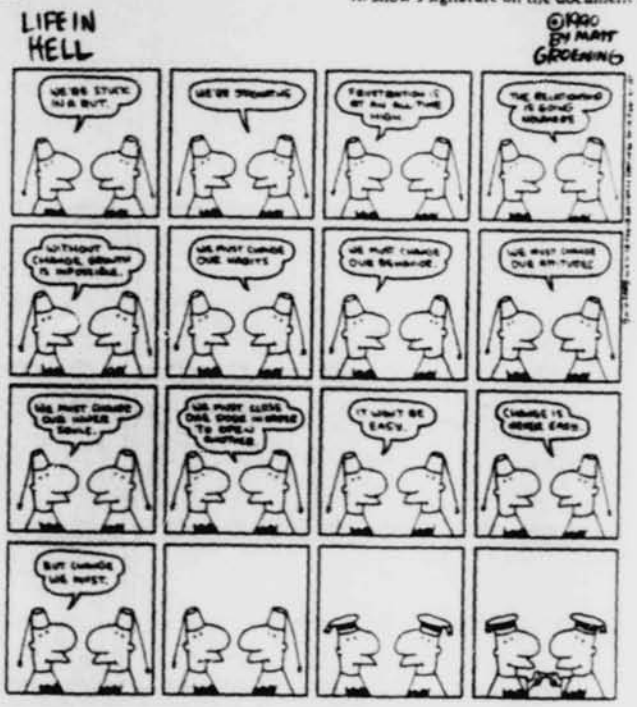
5) This was not the only flaw in the report. The report addressed four narrowly focused questions. Two of the four ("insider training" and "whether he made any profit") were never issues at all. They were answers to questions that were never asked. Furthermore, as the above analysis makes clear, even the relevant questions were handled poorly.

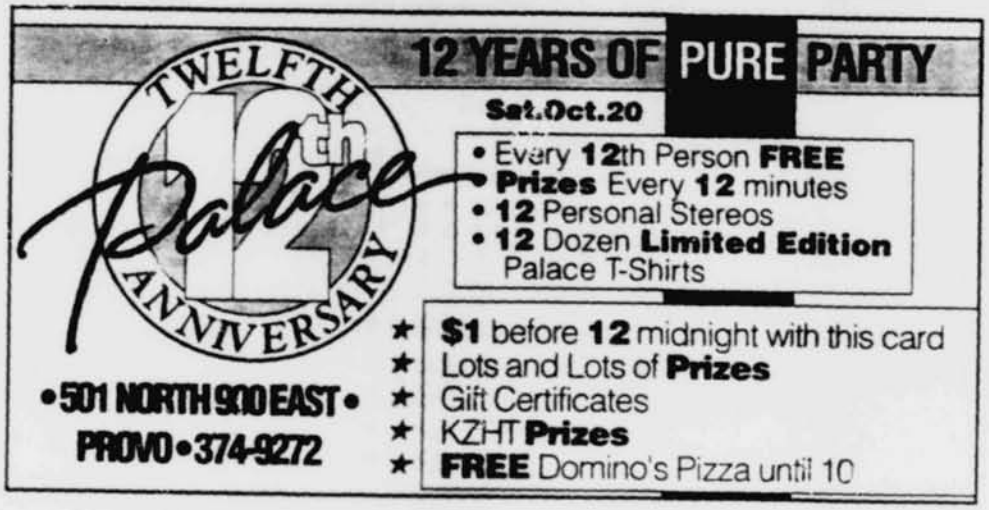
6) On KUTV's "Take Two" last Sunday, Snow said: "Let's make it clear that Mr. Snow was offered 100,000 shares of stock if he would become a member of the Board of Directors. Before I could tell them that I would not become a member of the Board of Directors, a share of stock or 100,000 shares was issued to me. A stock power was issued immediately giving it back. Snow signed the merger agreement on February 5. According to Percy Kalt, Snow represented himself as an corporate officer in April. According to Snow himself, he did not leave the company until May or June. Stock was not issued until June 28. Four months is certainly a long time to make such a decision—and the stock was issued *after* he finally made it.

7) The legal implications of this merger agreement alone prove that the matter is far from resolved. Adequate explanations have yet to be offered. The most serious questions yet to be even asked. Once again, the media has been derelict in its duty.

8) Final question. Readers ask yourselves: why would anyone sign a document saying he was exchanging stock he did not own for stock he was not going to receive and then sign over stock certificates he claims he never got to Mike Strand, a convicted stock felon? Is that credible? ∆







N000233

January 2, 1993

Federal Election Commission
Craig D. Reffner
FAX 202 ~~376-5280~~ 219-3923
MUR 3192

Dear Mr. Reffner,

Now that the holidays are over, I have had the time to review your letter dated November 24th, 1992, which I received December 24th, 1992. The P.O. Box that the correspondence was sent to is no longer mine and I still don't know how your letter arrived. In fact, I only found it on my desk at home without an envelope. Apparently someone left it with one of my children while I was at work.

The timeliness of your correspondence suggests that it is prompted by the recent campaign efforts of Jackie de Gaston. I do not have first hand knowledge of her work for Richard Harrington, the Republican opponent of Bill Orton, but the Independent candidate, Wayne Hill, related to me Ms. de Gaston's strenuous efforts to induce him to not run for office against Richard Harrington. Mr. Hill is well acquainted with Ms. de Gaston and stated to me that she was a close friend of Harrington and was fanatically involved with his campaign to the point of harassing Mr. Hill and his wife so as to cause them hang up when she called, rather than become embroiled in another "get out of the race, you're hurting my candidate" diatribe.

Ms. de Gaston has stated that she organized and directed the efforts of Utahn's For Ethical Government. She has also publicized the details of your investigation. I should really review the confidentiality sections of your code, since you refer to it every time you write. However, for the record, let me state that Ms. de Gaston did not organize UEG or direct its efforts. Her only involvement, other than imaginary, was that Eric Schulzke and I went to a meeting of people hurt buy Karl Snow's stock scam and their friends which was held at her house. Eric and I had already chosen a name and begun to make plans by this time.

While you did not refer to Ms. de Gaston in your correspondence, I have to say, that her actions cannot be anything other than politically motivated. She apparently is a close friend with the Republican candidate Richard Harrington. She was a member of his campaign staff. Her "revelations" were revealed just four days before the election and she was more concerned with holding a press conference in the State Capital building than righting any wrongs.

Simply put, I hardly know who this woman is. She tried to get some press coverage with a desperate and fanciful expose whose only aim was to discredit Bill Orton.

Now, to answer the specific charges in your last correspondence.

My layman's analysis of your legal analysis indicates that there are three main charges to be dealt with.

1. The actions of Utahns for Ethical Government was in some way the result of candidate Bill Orton's inducements.
2. The disclaimers on UEG printed material were not sufficient.
3. UEG reported their fiscal activity in an untimely manner.

9704383084 2

Did Bill Orton in any way influence me in my actions?

I think that the best way to look at the first charge is to review my frame of mind when I became involved with Utahn's For Ethical Government.

During the 1990 Republican primary campaign between the front runner John Harmer and Karl Snow a group of four lawyers from around the state suddenly came forward and announced that they would undertake to review the financial dealings of John Harmer at their own expense and produce a report. This "independent review" was challenged by John Harmer, so the lawyers amended their review to include Karl Snow's financial dealings. This "independent" financial review was delivered to the press the week before the primary election and portrayed John Harmer's fiscal dealings as "shady" at best, while the same report exonerated Karl Snow.

It didn't take a political scientist to see that the report was a plain and simple "dirty trick" and that it originated in the Karl Snow campaign headquarters. At this time I was an observer and I suppose it was OK by me if the Republicans needed to play their dirty tricks on each other. However, while eating a taco at a local establishment I read an article by Eric Schultzke detailing Karl Snow's involvement with a penny stock scam that was really quite serious. Perhaps it was the hot sauce, but I felt that the staff associated with the Karl Snow campaign and the four lawyers who did the review ought to feel a little heat.

Now I relate this to indicate my frame of mind when I urged Mr. Orton to expose these rascals. By turning away my suggestion did he somehow plant his own? This is what your legal analysis suggests, but I need to state here that it was my idea that something should be done, before I talked to Bill Orton. I will also relate how my inclinations led to UEG.

I inherited a tendency toward futile gestures from my father. It was my intention to reprint Eric Schultzke's article in the *Deseret News* so that everybody could see it and this is what I suggested to Eric when we met for the first time. Now let me explain that I publish a full page ad in connection with my business every week, so it was a natural thing for me. At this first meeting with Eric the name Utahn's For Ethical Government was chosen and he told me about a meeting of people who had been hurt by Karl Snow's penny stock scam and their friends. He was apparently aware of the meeting because he was acquainted with the people who had been hurt. We agreed to meet again at this meeting and I would have some costs for the full page ad in the *Deseret News*.

The meeting we attended was at Jackie de Gaston's house. Eric and I left the meeting early because some of the people in the meeting were really flaky. The kind that chain themselves to bulldozers. Eric and I sat in my car to talk. For my own part I was still pursuing the concept of "expose the rascals", but the cost of a full page ad in the *Deseret News* was many times that of our local paper and I couldn't afford it. Eric and I discussed a much smaller ad and dismissed that idea. Next came the concept of a press conference. The cost was minimal and could possibly get the job done. Additionally, we would look at doing an insert as this was within our budget which, at this time was limited to the relative cost of an ad in the local paper.

One result of the decision to do a press conference was that we naturally linked up with some of the people hurt by the stock scam and their friends. From this nucleus came the financing for an extended effort. As we went along we discovered more and more people with a grudge against Karl Snow and willing to match their grudge with money. An example would be Peggy Fugal, who we turned to for help with our press conference. She had provided the campaign materials for Mr. Snow's bid for Governor and had not been paid. She was really willing to help embarrass him.

Frankly, I was unprepared to get in front of reporters and personally expose Karl Snow, but I

9704380843

found myself in the center of this with more people joining all the time. Additionally there was real hurt to many people and they would be doing the talking so I also did my part.

The activities of UEG grew from me wanting to make a "futile gesture" to show the people responsible for the lawyers "dirty tricks" report that they couldn't do something like that with out somebody doing something, to a press conference, insert, a couple of ads and some radio spots.

If I could have afforded the original display ad it probably would have ended there. Because I couldn't Eric and I went to plan "B", the press conference and an insert. Because of the rather surprising help from others, the insert turned out better than newsprint and black ink as we originally planned and we got a lot more printed. The rest of UEG activities were more in response to Republican threats and accusations than anything else.

I only offer this rambling recollection to illuminate how the whole thing got started. Did Mr. Orton instigate it? No. Did he somehow plant the idea in my head? No, the idea was there and the genetic inclination was present. It was my idea to expose the rascals. It's just that the idea more or less got beyond what I originally had in mind. I had no idea how many people were hurt by the stock scam and how deeply angry they were.

For the record, let me say that after reviewing the specific wording of your legal analysis, I can state that I embarked on my efforts with UEG without the cooperation of, prior consent of, consultation with, at the request of, suggestion of, by arrangement with, in coordination with, at the direction of, any candidate. My actions were not based on any candidates plans, projects, or needs and I strongly believe that the expenditures of UEG qualify as independent expenditures.

9704383084

Were the disclaimers on the Utahn's for Ethical Government's material sufficient to identify their origin and purpose?

Your legal analysis pointed to the UEG insert as being insufficient in its disclaimer. If the issue is: Did UEG intend in any way to deceive or misdirect the public with the disclaimer; I think the answer would be absolutely not.

What most people don't realize, is that it was only three weeks from the time I first met with Eric Schulzke to election day. When this insert was printed we were a week old! We made our best effort to describe who we were and what we were doing. If we want to discuss semantics, I think a case can be made that "This publication is a product of..." not only identifies that is was paid for by UEG, but is better English. There is no indication of any kind, that UEG intended to mislead the public and additionally there is no evidence that the public did not clearly understand that the insert was paid for by UEG, an independent, citizen group.

Did UEG report their finances in an untimely manner?

Nolo contendere. But please do not overlook that UEG could be that rare beauty, a real independent, citizen group. Owing to the inexperience and evolving nature of our efforts, it was never contemplated that we were required to report until a *Deseret News* reporter informed us that we were. If my original intention had been carried out, then I wouldn't have been required to file. If we had stopped with the basic insert we planned; we wouldn't have been required to report. As I

said, the UEG effort evolved from my idea of a gesture; to what it became in just three weeks.

As soon as we were aware that we needed to file, we did so immediately. As a candidate, I should be expected to know what the rules are in a Federal election. As a last minute citizen protest, a little slack in this regard wouldn't destroy the fabric of society or corrupt the political process beyond what we know of it.

I am unaware of any legal council in Utah who is qualified to advise me as to pre-probable cause conciliation and in the absense of legal council it seems to me that I should request pre-probable cause conciliation in regards the charges of untimely filing of reports. Is there any more information that you can give me on this subject? How to go about it? When it should be done?

Thank you in advance,

Scott Norton

Please address further correspondence to:

Scott Norton
4230 Scenic Dr.
Provo, Utah
84604

9704383085

November 19, 1990

Dear Sirs:

Attached is FEC form 3X. Our group called the Utahns for Ethical Government began on October 15th, with the meeting of two people. Our expectations at that time, was to expose the unethical actions of one of our congressional candidates. When we started, we checked with our Lt. Governors office about regulations and we were informed that we did not have to file. However, as the scope of our endeavors increased along with our expenditures, we were made aware by our Congressman Nielson and the efforts of the press that we needed to file with the FEC.

Our first expenditures were made on October 24th. We filed with the Clerk of the House all of our expenditures. These were all independent expenditures. We collected enough to pay the bills and now we are terminating our activities.

Utahns for Ethical Government had no formal organization and has never solicited contributions publicly. We were a good government group that spoke out about unethical government practices and politicians.

I have not received an FEC identification number since filing form 1 on November 8th, 1990. Please help us complete our filing obligations in regards the FEC.

Thank You,

Scott Norton
Spokesman
Utahns for Ethical Government

97043830846

REPORT OF RECEIPTS AND DISBURSEMENTS

For Other Than An Authorized Committee

(Summary Page)

1 NAME OF COMMITTEE (In full)

UTAHNS FOR ETHICAL GOVERNMENT

ADDRESS (number and street) ☐ Check if different than previously reported

P.O. BOX 66 PROVO, UTAH, 84603

CITY, STATE and ZIP CODE

2. FEC IDENTIFICATION NUMBER

3 ☐ This committee qualified as a multicandidate committee DURING THIS Reporting Period on ____ (date).

4. TYPE OF REPORT

(a) ☐ April 15 Quarterly Report

☐ July 15 Quarterly Report

☐ October 15 Quarterly Report

☐ January 31 Year End Report

☐ July 31 Mid Year Report (Non-election Year Only)

☑ Termination Report

Monthly Report Due On:

☐ February 20 ☐ June 20 ☐ October 20
☐ March 20 ☐ July 20 ☐ November 20
☐ April 20 ☐ August 20 ☐ December 20
☐ May 20 ☐ September 20 ☐ January 31

☐ Twelfth day report preceding ____ (Type of Election) election on ____ in the State of ____

☐ Thirtieth day report following the General Election on ____ in the State of ____

(b) Is this Report an Amendment? ☐ YES ☑ NO

SUMMARY

		COLUMN A This Period	COLUMN B Calendar Year-to-Date
5.	Covering Period JAN 1, 1990 through NOV 20th, 1990		
6.	(a) Cash on Hand January 1, 19 90		$ 0
	(b) Cash on Hand at Beginning of Reporting Period	$ 0	
	(c) Total Receipts (from Line 16)	$ 11,452.68	$ 11,452.68
	(d) Subtotal (add Lines 6(b) and 6(c) for Column A and Lines 6(a) and 6(c) for Column B)	$ 11,452.68	$ 11,452.68
7.	Total Disbursements (from Line 28)	$ 11,452.68	$ 11,452.68
8.	Cash on Hand at Close of Reporting Period (subtract Line 7 from Line 6(d))	$ 0	$ 0
9.	Debts and Obligations Owed TO the Committee (Itemize all on Schedule C and/or Schedule D)	$ 0	
10.	Debts and Obligations Owed BY the Committee (Itemize all on Schedule C and/or Schedule D)	$ 0	

For further information contact:
Federal Election Commission
999 E Street, NW
Washington, DC 20463
Toll Free 800-424-9530
Local 202-378-3120

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

Type or Print Name of Treasurer SCOTT LEE NORTON

Signature of Treasurer

Date 11-19-90

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g

FEC FORM 3X (revised 4/87)

000245

FEDERAL ELECTION COMM. TEL: 202-376-5280 Nov 08,90 10:14 No.004 P.0

DETAILED SUMMARY PAGE

of Receipts and Disbursements
(Page 2, FEC FORM 3X)

Name of Committee (in full) CITIZENS FOR ETHICAL GOVERNMENT	Report Covering the Period From:	To:	
	COLUMN A Total This Period	COLUMN B Calendar Year-To-Date	
I. RECEIPTS			
CONTRIBUTIONS (other than loans) FROM:			
(a) Individuals/Persons Other Than Political Committees			
(i) Itemized (use Schedule A)	11,452.68	11,452.68	11(a)(i)
(ii) Unitemized	0	0	11(a)(ii)
(iii) Total of contributions from individuals	11,452.68	11,452.68	11(a)(iii)
(b) Political Party Committees	0	0	11(b)
(c) Other Political Committees (such as PACs)	0	0	11(c)
(d) TOTAL CONTRIBUTIONS (add 11(a)(iii), (b), and (c))	11,452.68	11,452.68	11(d)
12. TRANSFERS FROM AFFILIATED/OTHER PARTY COMMITTEES	0	0	12
13. ALL LOANS RECEIVED	0	0	13
14. LOAN REPAYMENTS RECEIVED	0	0	14
15. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)	0	0	15
16. REFUNDS OF CONTRIBUTIONS MADE TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES	0	0	16
17. OTHER RECEIPTS (Dividends, Interest, etc.)	0	0	17
18. TOTAL RECEIPTS (add 11(d), 12, 13, 14, 15, 16 and 17)	11,452.68	11,452.68	18
II. DISBURSEMENTS			
19. OPERATING EXPENDITURES	0	0	19
20. TRANSFERS TO AFFILIATED/OTHER PARTY COMMITTEES	0	0	20
21. CONTRIBUTIONS TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES	0	0	21
22. INDEPENDENT EXPENDITURES (use Schedule E)	11,452.68	11,452.68	22
23. COORDINATED EXPENDITURES MADE BY PARTY COMMITTEES (2 U.S.C. 441a(d)) (use Schedule F)	0	0	23
24. LOAN REPAYMENTS MADE	0	0	24
25. LOANS MADE	0	0	25
26. REFUNDS OF CONTRIBUTIONS TO:			
(a) Individuals/Persons Other Than Political Committees			26(a)
(b) Political Party Committees			26(b)
(c) Other Political Committees (such as PACs)			26(c)
(d) TOTAL CONTRIBUTION REFUNDS (add 26(a), (b), and (c))	0	0	26(d)
27. OTHER DISBURSEMENTS	0	0	27
28. TOTAL DISBURSEMENTS (add 19, 20, 21, 22, 23, 24, 25, 26(d) and 27)	11,452.68	11,452.68	28
III. NET CONTRIBUTIONS/OPERATING EXPENDITURES			
29. TOTAL CONTRIBUTIONS (other than loans)(from Line 11(d))	11,452.68	11,452.68	29
30. TOTAL CONTRIBUTION REFUNDS (from Line 26(d))	0	0	30
31. NET CONTRIBUTIONS (other than loans)(subtract Line 30 from 29)	11,452.68	11,452.68	31
32. TOTAL OPERATING EXPENDITURES (from Line 19)	11,452.68	11,452.68	32
33. OFFSETS TO OPERATING EXPENDITURES (from Line 15)	0	0	33
34. NET OPERATING EXPENDITURES (subtract Line 33 from 32)	11,452.68	11,452.68	34

000246

FEDERAL ELECTION COMM. TEL: 202-376-5280 Nov 08,90 10:14 No.004 P.0

SCHEDULE A — ITEMIZED RECEIPTS

Use separate schedule(s) for each category of the Detailed Summary Page

PAGE 1 OF 13

FOR LINE NUMBER: 11 (a) (i)

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee

NAME OF COMMITTEE (In Full)

UTAHNS FOR ETHICAL GOVERNMENT

	Name of Employer / Occupation / Aggregate Year to Date	Date (month, day, year)	Amount of Each Receipt this Period
A. Full Name, Mailing Address and ZIP Code SCOTT NORTON 4230 SCENIC DR. PROVO, UTAH, 84604 Receipt For: [ ] Primary [V] General [ ] Other (specify):	NORTON FOODCENTER MANAGER Aggregate Year to Date > $ 704.00	10-30-90	704.00 IN KIND AMOUNT TO GET
B. Full Name, Mailing Address and ZIP Code SCOTT NORTON 4230 SCENIC DR. PROVO, UTAH 84604 Receipt For: [ ] Primary [4] General [ ] Other (specify):	NORTON FOODCENTER MANAGER Aggregate Year to Date > $ 804.00	10-25-90	100.00 CASH
C. Full Name, Mailing Address and ZIP Code SHERMAN FUGAL 646 S. 100 W OREM, UT 84058 Receipt For: [ ] Primary [4] General [ ] Other (specify):	PEGGY FUGAL ADVERT. ACCT EXEC Aggregate Year to Date > $ 800	11-5-90	800.00 IN KIND KSL AD - ADVERT COST
D. Full Name, Mailing Address and ZIP Code JAYSON FUGAL 646 S. 100 W OREM, UT. 84058 Receipt For: [ ] Primary [4] General [ ] Other (specify):	PEGGY FUGAL ADVERT. ACCT EXEC. Aggregate Year to Date > $ 1000	11-5-90	1000.00 IN KIND KSL AD - ADVERT COST
E. Full Name, Mailing Address and ZIP Code KRISTINE F. HUGHES 2439 N. 700 E. PROVO, UTAH 84604 Receipt For: [ ] Primary [V] General [ ] Other (specify):	Occupation HOUSEWIFE Aggregate Year to Date > $ 300	10-18-90	300.00
F. Full Name, Mailing Address and ZIP Code KRISTIN MURDOCK BOX 4000 SPRINGVILLE, UT. 84663 Receipt For: [ ] Primary [4] General [ ] Other (specify):	Occupation HOUSEWIFE Aggregate Year to Date > $ 548.68	10-30-90	548.68 IN KIND DIST. (OSEET - GUNN), SALINA, MANTI, EPH, UINTA, +
G. Full Name, Mailing Address and ZIP Code Receipt For: [ ] Primary [ ] General [ ] Other (specify):	Occupation Aggregate Year to Date > $		

SUBTOTAL of Receipts This Page (optional) 3452.68

TOTAL This Period (last page this line number only)

9704383084 9

000247

SCHEDULE A — ITEMIZED RECEIPTS

Use separate schedule(s) for each category of the Detailed Summary Page

PAGE 2 OF 3

FOR LINE NUMBER 11 (a) (i)

Information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (In Full)
UTAHNS FOR ETHICAL GOVERNMENT

A. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation / Aggregate Year-to-Date	Date (month, day, year)	Amount of Each Receipt this Period
DELL BROWN 136 E. 400 N. #206 PROVO, UTAH 84606 Receipt For: ☐ Primary ☒ General ☐ Other (specify):	NU SKIN INTL. PROD. DEV. DIR. Aggregate Year-to-Date > $ 1000	11-19-90	1000.00
B. Full Name, Mailing Address and ZIP Code JANA GARRETT 2819 N. ARAPAHOE LANE PROVO, UTAH 84604 Receipt For: ☐ Primary ☒ General ☐ Other (specify):	Name of Employer: BYU Occupation: MUSIC DIRECTOR Aggregate Year-to-Date > $ 1000	11-19-90	1000.00
C. Full Name, Mailing Address and ZIP Code KIP HARTVIGSEN 11986 S. PINERIDGE Rd. SANDY, UTAH 84070 Receipt For: ☐ Primary ☒ General ☐ Other (specify):	Name of Employer: NORDSTROMS Occupation: DEPT. MANAGER Aggregate Year-to-Date > $ 1000	11-19-90	1000.00
D. Full Name, Mailing Address and ZIP Code ROBERT LAWRENCE 1015 N. SAGE PLEASANT GROVE, UTAH 84062 Receipt For: ☐ Primary ☒ General ☐ Other (specify):	Name of Employer: NEW SKIN INTL. Occupation: CONSUMER AFFAIRS DIR. Aggregate Year-to-Date > $ 1000	11-19-90	1000.00
E. Full Name, Mailing Address and ZIP Code ANNA HALLS 1765 N. 80 W OREM, UTAH 84057 Receipt For: ☐ Primary ☒ General ☐ Other (specify):	Name of Employer: ALPINE SCHOOL DIST Occupation: SCHOOL TEACHER Aggregate Year-to-Date > $ 1000	11-19-90	1000.00
F. Full Name, Mailing Address and ZIP Code JODY DURRANT 1145 N. 560 W. OREM, UTAH 84057 Receipt For: ☐ Primary ☒ General ☐ Other (specify):	Name of Employer: NUSKIN INTL. Occupation: Public RELATIONS DIR. Aggregate Year-to-Date > $ 1000	11-19-90	1000.00
G. Full Name, Mailing Address and ZIP Code WAYNE RIGBY 4611 KILLARNEY DR. HIGHLAND, UTAH 84003 Receipt For: ☐ Primary ☒ General ☐ Other (specify):	Name of Employer: PRUDENTIAL INSUR. Occupation: FINANCIAL SERVICES ~~BROKER~~ CONSULTANT Aggregate Year-to-Date > $ 1000	11-16-90	1000.00

SUBTOTAL of Receipts This Page (optional) 7,000

000248

TOTAL This Period (last page this line number only) .....

9704383085 0

FEDERAL ELECTION COMM. TEL: 202-376-5280 NOV 08.90 10:14 NO.004 P.10

IEDULE A — ITEMIZED RECEIPTS

Use separate schedule(s) for each category of the Detailed Summary Page

PAGE 3 OF 3

FOR LINE NUMBER: 11(a)(i)

Information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee

NAME OF COMMITTEE (In Full)

UTAHNS FOR ETHICAL GOVERNMENT

A. Full Name, Mailing Address and ZIP Code LORI BAKER 315 S. 900 W. #5 PROVO, UTAH 84601 Receipt For: [ ] Primary [X] General [ ] Other (specify):	Name of Employer Occupation HOUSEWIFE Aggregate Year to Date > $ 11000	Date (month, day, year) 11-15-90	Amount of Each Receipt this Period 1000.00
B. Full Name, Mailing Address and ZIP Code Receipt For: [ ] Primary [ ] General [ ] Other (specify):	Name of Employer Occupation Aggregate Year to Date > $	Date (month, day, year)	Amount of Each Receipt this Period
C. Full Name, Mailing Address and ZIP Code Receipt For: [ ] Primary [ ] General [ ] Other (specify):	Name of Employer Occupation Aggregate Year to Date > $	Date (month, day, year)	Amount of Each Receipt this Period
D. Full Name, Mailing Address and ZIP Code Receipt For: [ ] Primary [ ] General [ ] Other (specify):	Name of Employer Occupation Aggregate Year to Date > $	Date (month, day, year)	Amount of Each Receipt this Period
E. Full Name, Mailing Address and ZIP Code Receipt For: [ ] Primary [ ] General [ ] Other (specify):	Name of Employer Occupation Aggregate Year to Date > $	Date (month, day, year)	Amount of Each Receipt this Period
F. Full Name, Mailing Address and ZIP Code Receipt For: [ ] Primary [ ] General [ ] Other (specify):	Name of Employer Occupation Aggregate Year to Date > $	Date (month, day, year)	Amount of Each Receipt this Period
G. Full Name, Mailing Address and ZIP Code Receipt For: [ ] Primary [ ] General [ ] Other (specify):	Name of Employer Occupation Aggregate Year to Date > $	Date (month, day, year)	Amount of Each Receipt this Period

SUBTOTAL of Receipts This Page (optional) 1000

000249

TOTAL This Period (last page this line number only) 11,452.68

97043830851

Nov 08,90 10:14 No.004 P.11
TEL: 202-376-5280 HUNT ELECTION CLUB



November 8, 1990

Dear Sirs:

Attached is FEC form 1 which we are filing based on information given to us by Janet Hess of the FEC staff. However, we have some questions as to whether we are required to file in this category and in fact if we are required to file at all.

Our group, called Utahns for Ethical Government, began on October 15th, with a meeting of two people. No expenditures were made until October 24th. When we began we checked with the Lt. Governor's office of Utah and they indicated that we didn't need to file. It is only after the protests of Congressman Nielson and the efforts of the press that the need was brought to our attention.

Utahns for Ethical Government has no formal organization and has never solicited contributions. We are a good government group that intends to speak out about unethical government practices and politicians.

We will do our best to file the necessary forms, but we request your help in determining what these might be.

Thank You,

Scott Norton
Spokesman
Utahns for Ethical Government

FILED W/ CLERK OF THE HOUSE
W/FEC 11,452.68

9704383085 2

STATEMENT OF ORGANIZATION

(See reverse side for instructions)

1. (a) NAME OF COMMITTEE IN FULL ☐ (Check if name is changed)
UTAHNS FOR ETHICAL GOVERNMENT

(b) Number and Street Address ☐ (Check if address is changed)
P.O. BOX 66

(c) City, State and ZIP Code
PROVO, UTAH 84603

2. DATE
11-7-90

3. FEC IDENTIFICATION NUMBER

4. IS THIS STATEMENT AN AMENDMENT?
☐ YES ☒ NO

5. TYPE OF COMMITTEE (Check one)

☐ (a) This committee is a principal campaign committee. (Complete the candidate information below.)

☐ (b) This committee is an authorized committee, and is NOT a principal campaign committee. (Complete the candidate information below.)

Name of Candidate	Candidate Party Affiliation	Office Sought	State/District

☒ (c) This committee supports/opposes only one candidate KARL SNOW (name of candidate) and is NOT an authorized committee.

☐ (d) This committee is a _____ (National, State or subordinate) committee of the _____ (Democratic, Republican, etc.) Party.

☐ (e) This committee is a separate segregated fund.

☐ (f) This committee supports/opposes more than one Federal candidate and is NOT a separate segregated fund or a party committee.

6. Name of Any Connected Organization or Affiliated Committee	Mailing Address and ZIP Code	Relationship

Type of Connected Organization
☐ Corporation ☐ Corporation w/o Capital Stock ☐ Labor Organization ☐ Membership Organization ☐ Trade Association ☐ Cooperative

7. Custodian of Records: Identify by name, address (phone number -- optional) and position of the person in possession of committee books and records.

Full Name	Mailing Address	Title or Position
SCOTT LEE NORTON	4230 SCENIC DR. PROVO, UTAH 84604	SPOKESMAN

8. Treasurer: List the name and address (phone number -- optional) of the treasurer of the committee; and the name and address of any designated agent (e.g., assistant treasurer).

Full Name	Mailing Address	Title or Position
SCOTT LEE NORTON	4230 SCENIC DR. PROVO, UTAH 84604	SPOKESMAN

9. Banks or Other Depositories: List all banks or other depositories in which the committee deposits funds, holds accounts, rents safety deposit boxes or maintains funds.

Name of Bank, Depository, etc.	Mailing Address and ZIP Code
1ST SECURITY BANK OF UTAH	92 NORTH UNIVERSITY PROVO, UTAH 84601

I certify that I have examined this Statement and to the best of my knowledge and belief it is true, correct and complete.

TYPE OR PRINT NAME OF TREASURER	SIGNATURE OF TREASURER	DATE
SCOTT LEE NORTON	[signature]	11-7-90

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Statement to the penalties of 2 U.S.C. §437g.
ANY CHANGE IN INFORMATION SHOULD BE REPORTED WITHIN 10 DAYS.

For further information contact:
Federal Election Commission
Toll-free 800-424-9530
Local 202-376-3120

000251

FEC FORM 1
(revised 4/87)

97043830853

FEDERAL ELECTION COMM. TEL: 202-376-5280 Nov 08,90 10:14 No.004 P.20

SCHEDULE E

ITEMIZED INDEPENDENT EXPENDITURES

(See Reverse Side for Instructions)

Name of Committee (in Full)	I.D. No.
UTAHNS FOR ETHICAL GOVERNMENT	

Full Name, Mailing Address & ZIP Code of Each Payee	Purpose of Expenditure	Date (month, day, year)	Amount	Name of Federal Candidate supported or opposed by the expenditure & office sought
SPRINGVILLE HERALD 161 S. MAIN SPRINGVILLE, UTAH 84663	INSERT BUST	10-30-90	150.00 X	KARL SNOW CONGRESS ☐ Support ☒ Oppose
PARK CITY RECORD P.O. BOX 3688 PARK CITY 84060	INSERT BUST.	10-30-90	300.00 X	KARL SNOW CONGRESS ☐ Support ☒ Oppose
AMERICAN FORK CITIZEN BOX 7 AMERICA FORK, UTAH 84003	INSERT BUST.	10-30-90	255.60 X	KARL SNOW CONGRESS ☐ Support ☒ Oppose
HERB GLEASON 7201 RANCH RD LAKELAND, FL 33809	HOTEL ROOM WHILE TESTIFYING	10-24-90	284.83 X	KARL SNOW CONGRESS ☐ Support ☒ Oppose
PRO LITHO 201 EAST BAY BLVD PROVO, UTAH 84606	PRINTING	11-7-90	2464.47	KARL SNOW CONGRESS ☐ Support ☒ Oppose
				☐ Support ☐ Oppose

(a) SUBTOTAL of Itemized Independent Expenditures	3454.90	$ ~~2464.47~~
(b) SUBTOTAL of Unitemized Independent Expenditures		$
(c) TOTAL Independent Expenditures		$ 3454.90 ~~2464.47~~

Under penalty of perjury I certify that the independent expenditures reported herein were not made in cooperation, consultation, concert with, or at the request or suggestion of any candidate or any authorized committee or agent of such candidate or authorized committee. Furthermore, these expenditures did not involve the financing of dissemination, distribution, or republication in whole or in part of any campaign materials prepared by the candidate, his campaign committee, or their agents.

Signature _____ Date _____

Subscribed and sworn to before me this _____ day of _____, 19____

My Commission expires: _____

NOTARY PUBLIC _____

000252

FEDERAL ELECTION COMM. TEL: 202-376-5280 NOV 08,90 10:14 No.004 P.18

97043830854

SCHEDULE E

ITEMIZED INDEPENDENT EXPENDITURES

(See Reverse Side for Instructions)

Page 2 of 5 Pages

Name of Committee (in Full)	I.D. No.

Full Name, Mailing Address & ZIP Code of Each Payee	Purpose of Expenditure	Date (month, day, year)	Amount	Name of Federal Candidate supported or opposed by the expenditure & office sought
Hert Gleason 7201 RANCH RD LAKELAND, FL 33809	Wireline ticket (EXPERT WITNESS)	10/30/90	704.00	Karl Snow Congress ☐ Support ☒ Oppose
Daily Herald Box 717 Provo, Ut. 84603	Insert Distribution	10/25/90	630.00	Karl Snow Congress ☐ Support ☒ Oppose
Gunnison Valley News Box 403 Gunnison, Ut. 84634	Insert Distribution	10/30/90	60.00	Karl Snow Congress ☐ Support ☒ Oppose
Salina Sun 60 E. Main Salina, Ut 84654	Insert Distribution	10/30/90	~~240.00~~ 240.00	Karl Snow Congress ☐ Support ☒ Oppose
Manti Messenger 35 So. Main Manti, Ut. 84642	Insert Distribution	10/30/90	42.50	Karl Snow Congress ☐ Support ☒ Oppose
Ephriam Enterprise Box 4-12 Ephriam, Utah 84627	Insert Distribution	10/30/90	32.50	Karl Snow Congress ☐ Support ☐ Oppose

(a) SUBTOTAL of Itemized Independent Expenditures	$ 1679.00	1679.00
(b) SUBTOTAL of Unitemized Independent Expenditures	$	
(c) TOTAL Independent Expenditures		$

Under penalty of perjury I certify that the independent expenditures reported herein were not made in cooperation, consultation, concert with, or at the request or suggestion of any candidate or any authorized committee or agent of such candidate or authorized committee. Furthermore, these expenditures did not involve the financing of dissemination, distribution, or republication in whole or in part of any campaign materials prepared by the candidate, his campaign committee, or their agent.

Signature _____ Date _____

Subscribed and sworn to before me this _____ day of _____, 19____

My Commission expires: _____

NOTARY PUBLIC

000253

FEDERAL ELECTION COMM. TEL: 202-376-5280 Nov 08,90 10:14 No.004 P.12

9704383085 5

SCHEDULE E

ITEMIZED INDEPENDENT EXPENDITURES

(See Reverse Side for Instructions)

Page 3 of 5 Pages

Name of Committee (in Full): UTAHNS FOR ETHICAL GOVERNMENT

I.D. No.

Full Name, Mailing Address & ZIP Code of Each Payee	Purpose of Expenditure	Date (month, day, year)	Amount	Name of Federal Candidate supported or opposed by the expenditure & office sought
PRICE SUN ADVOCATE BOX 870 PRICE, UT. 84501	INSERT DIST.	10-30-90	355.00 X	KARL SNOW CONGRESS ☐ Support ☑ Oppose
RICHFIELD REAPER 43 S. MAIN RICHFIELD, UTAH 84701	INSERT DIST.	10-30-90	275.00 X	KARL SNOW CONGRESS ☐ Support ☑ Oppose
VERNAL EXPRESS PO BOX 1000 VERNAL UTAH 84078	INSERT DIST.	10-30-90	136.50	KARL SNOW CONGRESS ☐ Support ☑ Oppose
UINTAH BASIN STANDARD 268 S. 200. E. ROOSEVELT, UTAH 84066	INSERT DIST.	10-30-90	180.00 X	KARL SNOW CONGRESS ☐ Support ☑ Oppose
SAN JUAN RECORD BOX 879 MONTECELLO, UTAH 84535	INSERT DIST.	10-30-90	85.00 X	KARL SNOW CONGRESS ☐ Support ☑ Oppose
MOAB TIMES BOX 129 MOAB, UTAH 84532	INSERT DIST.	10-30-90	284.00 X	KARL SNOW CONGRESS ☐ Support ☑ Oppose

(a) SUBTOTAL of Itemized Independent Expenditures	$ 1315.50	
(b) SUBTOTAL of Unitemized Independent Expenditures	$	
(c) TOTAL Independent Expenditures		$ 1315.50

Under penalty of perjury I certify that the independent expenditures reported herein were not made in cooperation, consultation, concert with, or at the request or suggestion of any candidate or any authorized committee or agent of such candidate or authorized committee. Furthermore, these expenditures did not involve the financing of dissemination, distribution, or republication in whole or in part of any campaign materials prepared by the candidate, his campaign committee, or their agent.

Signature _____ Date _____

Subscribed and sworn to before me this _____ day of _____, 19____

My Commission expires: _____

NOTARY PUBLIC

000254

9700438308556

FEDERAL ELECTION COMM. TEL: 202-376-5280 NOV 08,90 10:14 NO.004 P.16

SCHEDULE E

ITEMIZED INDEPENDENT EXPENDITURES

(See Reverse Side for Instructions)

Page 4 of 5 Pages

Name of Committee (in Full): Utahns For Ethical Government

F.E.C. No.

Full Name, Mailing Address & ZIP Code of Each Payee	Purpose of Expenditure	Date (month, day, year)	Amount	Name of Federal Candidate supported or opposed by the expenditure & office sought
Spanish Fork Press 280 No. Main. Spanish Fork, Ut. 84660	Distribute Flyer (Insert)	10/30/90	41.00	Karl Snow Congress ☐ Support ☒ Oppose
Green Sheet News Box 7187 Murray, Ut 84107	Distribute Flyer (Insert)	10/30/90	250.00	Karl Snow Congress ☐ Support ☒ Oppose
Mt. Pleasant Pyramid 49 W. Main Mt. Pleasant, Ut. 84647	Distribute Flyer (Insert)	10/30/90	85.00 X	Karl Snow Congress ☐ Support ☒ Oppose
Daily Herald Box 717 Provo, Utah 84603	Display AD.	11/2/90	2484.53	Karl Snow Congress ☐ Support ☒ Oppose
Federal Express 70 N. 1200 West Orem, Utah	Mail Costs	11/2/90	87.75 X	Karl Snow Congress ☐ Support ☒ Oppose
Student Review X Box 7092 Provo, Ut. 84602	Newspapers (extra copies)	10/26/90	100.00 X	Karl Snow Congress ☐ Support ☒ Oppose

(a) SUBTOTAL of Itemized Independent Expenditures	$ 3098.28	
(b) SUBTOTAL of Unitemized Independent Expenditures	$	
(c) TOTAL Independent Expenditures		$ 3098.28

Under penalty of perjury I certify that the independent expenditures reported hereon were not made in cooperation, consultation, concert with, or at the request or suggestion of any candidate or any authorized committee or agent of such candidate or authorized committee. Furthermore, these expenditures did not involve the financing of dissemination, distribution, or republication in whole or in part of any campaign materials prepared by the candidate, his campaign committee, or their agent.

Signature _____ Date _____

Subscribed and sworn to before me this _____ day of _____, 19____

My Commission expires: _____

NOTARY PUBLIC

000255

9704330857

FEDERAL ELECTION COMM. TEL: 202-376-5280 NOV 08,90 10:14 No.004 P.18

SCHEDULE E

ITEMIZED INDEPENDENT EXPENDITURES

(See Reverse Side for Instructions)

Name of Committee (in Full): UTAHNS FOR ETHICAL GOVERNMENT

I.D. No.

Full Name, Mailing Address & ZIP Code of Each Payee	Purpose of Expenditure	Date (month, day, year)	Amount	Name of Federal Candidate supported or opposed by the expenditure & office sought
Payson Chronicle 12 S. Main Payson, Utah 84655	Insert Distribution	10/30/90	105.00 K	Karl Snow Congress ☐ Support ☒ Oppose
KSL RADIO BROADCAST HOUSE STAND CENTER SALT LAKE CITY, UTAH 84110-1160	RADIO SPOTS	11-5-90	1300.00 K	KARL SNOW CONGRESS ☐ Support ☒ Oppose
PEGGY FUGAL ADVERTIZING	PRODUCTION - RADIO PRODUCTION - PRINT TELEPHONE - FAX	11-5-90	500.00 K	KARL SNOW CONGRESS ☐ Support ☒ Oppose
				☐ Support ☐ Oppose
				☐ Support ☐ Oppose
				☐ Support ☐ Oppose

(a) SUBTOTAL of Itemized Independent Expenditures	$ 1905.00	
(b) SUBTOTAL of Unitemized Independent Expenditures	$	
(c) TOTAL Independent Expenditures		$ 1905.00

Under penalty of perjury I certify that the independent expenditures reported herein were not made in cooperation, consultation, concert with, or at the request or suggestion of any candidate or any authorized committee or agent of such candidate or authorized committee. Furthermore, these expenditures did not involve the financing of dissemination, distribution, or republication in whole or in part of any campaign materials prepared by the candidate, his campaign committee, or their agent.

Signature _____ Date _____

Subscribed and sworn to before me this _____ day of _____, 19____

My Commission expires: _____

NOTARY PUBLIC

000256

9704383088

FEDERAL ELECTION COMM. TEL: 202-376-5280 Nov 08,90 10:14 No.004 P.18

Federal Election Commission
Mr. Craig Douglas Reffner
MUR 3192

January 10th, 1991

Dear Mr. Reffner,

My involvement in the past election was highly debilitating to my business and I am anxious to resume my efforts at selling groceries. This compliant was filed by a political science student who worked for the Snow campaign and is apparently now writing a paper about his experience. I view his complaint as source material for his school work.

In his complaint, Mr. Bradshaw has tried a shotgun approach in an attempt to hit something, or anything. The problem I am faced with, is that the complaint is incoherent with inaccuracies.

What I will do is give you a chronological account of my involvement and the others with which I was associated. Then I will address each of Mr. Bradshaw's paragraphs individually to answer specifically his charges. I will take the liberty of labeling the paragraphs in his complaint for reference.

But first let me point out several blatant inaccuracies to illustrate Mr. Bradshaw's lack of even the simplest research and his inattention to facts.

Mr. Bradshaw states that Karl Snow was not allowed to reply to the articles in the Student Review. This is simply not true. I have included a copy of Mr. Snow's reply as published in the Student Review. (Exhibit A)

Mr. Bradshaw states that the Student Review articles were not identified as editorials or commentary. This accusation is another example of poor research even on the most basic level. I have included copies of the Student Review articles (Exhibits B,C,D) which show that they were clearly identified as editorials or commentary. <u>If Mr. Bradshaw can't be trusted to check out the most concrete sources of his complaint, how can he be trusted when his accusations are based on innuendo and "it was reported"?</u>

Mr. Bradshaw states that the inserts printed by Utahns for Ethical Government were available at the Orton campaign headquarters and were distributed by Orton campaign workers and Republicans for Orton at a rally. This is again, simply not true. Utahns for Ethical Government very closely controlled where and how our inserts were distributed. I would be

9704383085 9

interested to know how the Orton campaign could obtain any inserts, because the inserts were closely controlled by U.E.G. As to the rally, the only thing I can say is that I was there, I was acquainted with the people handing out inserts because U.E.G. had invited them, and no Orton campaign workers or Republicans for Orton were involved.

Mr. Bradshaw implies that Eric Schulzke was a member of Republicans for Orton. While it is not my business to defend Eric, I must say that this type of irresponsible McCarthyism is shocking in its blatant lack of respect for facts. Mr. Schulzke will refute this allegation himself.

A Chronology of Utahns for Ethical Government

I became involved with the campaign after reading an article published on October 3, 1990 by the Student Review and written by Eric Schulzke. I was struck by the significant involvement of candidate Karl Snow with a Penny Stock scam. What really set me off was that this same Karl Snow had successfully defamed his opponent in the Primary election for essentially the same things he was doing himself. My sense of fair play aroused, I contacted Mr. Snow's opponent, Bill Orton. I urged him to expose the less than savory aspects of Mr. Snow. He not only declined to become involved with this issue, he stressed that he would not be associated with any campaigning of this sort and that he would fire anyone from his campaign staff that was in anyway involved with this issue.

Parenthetically, let me set out my past relationship with Bill Orton. It has been the fond hope of the Snow campaign that Bill Orton and I are close personal friends and confidants. The fact is that I first met Mr. Orton at a church I began attending after a divorce in 1982. Mr. Orton was one of the councilors to the Bishop of that church. I was acquainted with him and we were friends during the period that I attended that church. In 1985 I remarried and began attending another church. In the intervening five years I have never had the occasion to talk with Mr. Orton either in person or on the phone until he approached me at the beginning of his campaign for a contribution. Being a Republican, I turned him down. The next time I spoke to Mr. Orton was when I urged him to expose Karl Snow months later.

After my interview with Mr. Orton I was still not satisfied and thought that something should be done. I called Eric Schulzke, the writer of the article in The Student Review, and asked him if he would like to have his work published in a broader format. Eric said, "Yes." and that there was another article coming out that day. I was preparing to leave town the next day so I told him I would call on the following Monday, October 15, to set up an appointment.

So, just three weeks before the election Eric and I met to see what we could do. Our plan from that meeting was to place an

9704383086O

ad in the local paper reprinting his article. Ken Murdock joined Eric and myself during this week. He is a neighbor of Percy Kalt, who was a victim of the Penny Stock scam that Karl Snow was involved in.

By this time Eric had published his third article. Because of his research we could quickly get a hold of the principals involved with the stock scam. It was decided to hold a press conference to let the other side of the story be told and at the same time print and distribute a flyer.

Peggy Fugal Advertizing became involved just as we were preparing to go to this press conference. Peggy Fugal Advertizing was retained by Mr. Snow as his publicity agent for his unsuccessful campaign for Governor of Utah. Mr. Snow refused to acknowledge a bill from Ms. Fugal's agency, while at the same time recording a thousand dollar discount of the bill as a campaign donation. Our organization retained the services of Peggy Fugal Advertizing to help with our emerging media campaign.

Within just a few days, Eric and myself had grown into Utahns for Ethical Government. We found we had the support to continue to raise questions about Mr. Snow's ethics. We printed flyers and distributed them in our district, we placed two display ads in a local paper, and ran radio spots for two days. All of these expenditures are listed in our report to the Clerk of the House and to the FEC.

The day after the election, Brooke Adams, the local reporter for The Deseret News, called to ask me if we had filed with the FEC. I told her that we had checked with the Utah State Lt. Governors office and they indicated that we were not required to file. Brooke convinced me to check with the FEC and after a lengthy phone conversation to Washington, I determined that we would file even if we weren't required to. Rather than wait for the forms to arrive by mail, I had the FEC fax the forms to me so tha' I could get a quick start. At this time we have completed our filing and we have closed our political activity.

A Review of Mr. Bradshaw's Complaint

Now is a good time to review Mr. Bradshaw's complaint by the numbers I have assigned to each paragraph.

1. No response needed.
2. No response needed.
3. No response needed.
4. Mr. Bradshaw alleges slander of Mr. Snow. I will say again that it is not my position to defend the Student Review. But, even though I am not an attorney, I understand that in order for the articles to be slanderous they must be untrue and the author aware that they are untrue. (I have enclosed a copy of all three articles under Exhibit B,C,D.) Mr. Schulzke is not a cousin of John Harmer. He is related on his mothers side twice

9704383086 1

removed. The Student Review did publish in a timely manner an unedited response from Mr. Snow. (copy enclosed as Exhibit A.)

5. The articles in the Student Review were clearly labeled as analysis or commentary. (see Exhibit B,C,D) If copies of these articles were distributed by the Orton campaign, I was not aware of it. Neither was I aware of what was in the Orton campaign office. Members of some labor unions passed out copies that Utahns for Ethical Government paid for. (see election filing of $100 to Student Review) The Student Review was forced to pull the issues of its paper off their newsstands at night to avoid them being stolen during the campaign. Sometimes guards were placed to protect them.

6. Mr. Schulzke has accepted a position as press secretary for Senator John Doolittle, a Republican from California. He will be residing in Washington D.C. in January.

7. Mr. Schulzke informs me that he had no connection with the Orton campaign. He suggested that he would visit with you in person about this allegation.

8. Scott Norton is not a long time friend of Mr. Orton. He was perhaps, a friend a long time ago. I am inclosing a copy of the article Mr. Bradshaw refers to in this paragraph. (Exhibit E.) Mr. Bradshaw lists Percy Kalt, John Darger, and Herb Gleason as members of U.E.G. The participation of these three men was limited to a Press conference, at which they stated what they knew of Karl Snow's activity in a certain Penny Stock scheme. In the last five days of the election several Republican leaders met with U.E.G. in an attempt to reform and repair, if not replace its candidate. Mr. Cockran was one of these. Apparently, Mr. Bradshaw considers anyone speaking out against Karl Snow's less than savory activities to be a card carrying member of U.E.G.

9. Please refer to our filing statement to identify who and how our activities were financed.

10. Utahns for Ethical Government paid for radio spots on KSL radio on November 4th and 5th. The record can be found in our FEC filing.

11. The response in paragraph nine covers these allegations.

12. Utahns for Ethical Government did not supply the Orton campaign with any materials and I am not aware of U.E.G. inserts available at the Orton Campaign office. I can say that no Orton personnel or people connected with the Orton campaign ever contributed to or helped in any way to distribute the insert we published. As I have stated earlier, I was at the rally attended by Mr. Quayle and I in fact help organize the demonstration. The inserts that were distributed at the rally were handed out by U.E.G. people. There is no basis for this accusation.

13. Utahns for Ethical Government paid for two display ads in the Daily Herald. Peggy Fugal Advertising paid for a third ad which addressed the specific complaints that she had with Karl Snow. This was a personal action on her part. I have referred this allegation to her.

14. Utahns for Ethical Government had no contact with Republicans for Orton. It should be mentioned that there were several groups formed with this name around the district. But I don't even have enough information to comment on their

9704383086 2

organization or activities. Mr. Bradshaw names Eric Schulzke as a participant of Republicans for Orton and suggests that he attended the meetings. This is insupportable. Mr. Schulzke informs me that he never attended any meeting with any group calling itself Republicans for Orton. (and there were many) Further, he never advised, collaborated, or in any way interacted with them.

15. I have referred this accusation to Ms. Fugal. She suggests that she will address this paragraph herself.

16. Please be advised that Utahns for Ethical Government for which I was the spokesman did hire the services of Peggy Fugal Advertising. Eric Schulzke and Ken Murdock were associated with the group. However, none of these participants in any way acted in concert, frequently or otherwise with any of the groups called Republicans for Orton, or with the Orton campaign. Our only failing is that we were unaware of the Federal filing requirements. But as soon as we were advised of our responsibility, we acted in the most timely way possible to comply. The big problem we had in filing with the FEC is finding a precedent. Because our activities lacked a precedent, we could find no one who could say <u>what</u> or if we were required to file.

17. May I simply say that Mr. Bradshaw's information is really guestimations and hearsay mingled with hope. Mainly hope that he will get something juicy out of this for his political science report.

If you require further information to resolve this review, please feel free to call me at 801 376-7983. I will do my best to help.

Scott Norton

Utahns for Ethical Government
Spokesman

9704383080863

9704383088 Oct 23, 1990

STUDENT REVIEW
YEAR 5 · ISSUE 7

Student Review is an independent student publication serving Brigham Young University's campus community.

Student volunteers from all disciplines edit and manage Student Review. However, opinions expressed are those of individual authors and do not necessarily reflect the views of the SR staff, BYU, UVCC, or the Church of Jesus Christ of Latter-day Saints.

Sudent Review is published weekly during the fall and winter semesters and monthly during the spring and summer terms by the Student Review Foundation, a non-profit corporation. SRF operates under the direction of the Foundation for Student Thought, also a non-profit corporation.

A year's subscription costs $10.

Student Review
P.O. Box 7092
Provo, UT 84602
(801) 377-2980

Publisher
Eric Schulzke

Associate Publisher
Allison Allgaier

Editor
John Armstrong

Managing Editor
Julie Curtis
Assistant Managing Editors
Jane England, Grant Madsen

Opinion Editor
Larry Mevers
Focus Editor
Joanna Brooks
Campus Life Editor
Michelle Moore
Arts & Lleisure Editor
Sharon McGovern

000262

Karl Snow's Response to the *Student Review*

Editor's note: Last week we invited Karl Snow to respond to the series of Eric Schulzke's articles about Mr. Snow's financial dealings with Mike Strand. Mr. Snow's response appears here in its unedited entirety.

After three weeks of condemning headlines and slanderous articles, the *Student Review* has, in after-the-fact fashion journalistic integrity, extended me the "opportunity" to respond to their many charges claiming that I have a sorted past, along with unreported tax liabilities.

In short these articles are not only carelessly written, but are reckless with total disregard for any standard of good journalism. Both the articles and the headlines were intended to do me harm and were, in my opinion, written with malice of forethought. These articles are not new stories, but vendettas.

It should be noted that the author, Erick Schultzke, is a cousin of my primary opponent, John Harmer. Mr. Schultzke's father is also the attorney who conducted private investigations of my private life prior to the September election and delivered various questionable documents to the Utah media who refused to report on the same.

Desperate, Erick Schultzke has taken advantage of his position with the Student *Review*, and after writing the articles has sought to obtain the widest circulation possible, and assisting others in reprinting the stories to be run as advertisements in Utah's daily newspapers.

As for the conclusions reached by the Mr. Schultzke, they are, in no way, supported by his own facts. His sources are lacking credibility, and he has failed to verify his facts or seek response from me or anyone from my staff. Had he done so he could have reached far different conclusions.

Further, the *Student Review* was advised of other documentation that would present contrary information, and that an independent certified public accountant and attorney were endeavoring to verify certain information. No effort was made to examine other documentation, or to contact independent sources reviewing the matter.

Before the primary election a group of four independent attorneys conducted an in depth review of the finances of both myself and my primary opponent. Accordingly, I made available all of my tax returns, credit reports, and all other documentation as requested. I was cleared of any financial improprieties or misconduct. The report noted that I had no outstanding obligations or legal actions pending against me, no tax liabilities, and had maintained a solid credit rating.

As detractors continued their charges against me in this final election, Mr. Schultzke, and others who could not accept the defeat of their "chosen leader," decided to go on the attack again. Accordingly, I requested a second audit to determine if there may be some tax liability as was claimed.

This second audit, conducted by a Certified Public Accountant and a Tax Attorney, has now cleared me of any tax liability,

see Snow Responds on page 11

Note from the Design Director:

Response to Merrill Teemant's "Girls in the Guys Locker Room"

In September, he ran on "integrity." By November, he may be running on empty.

The Questionable Karl Snow

NALYSIS

by Eric Schulzke

...ll ...inistrator ...congres... ...l candidate ...had close ties ...convicted ... His ...ls in the ...of substan... ...vidence ...serious ...tions.

Records have come to light in recent weeks indicating that BYU Administrator and Congressional Candidate Karl Snow appears to have misrepresented his connections to convicted felon Michael Strand, Global Oil, Unique Battery, and a penny stock deal that probably cost one life and seriously disrupted the lives of others.

At present, there are ...questions than answers. But the gravity ...questions combined with the lack of ...s should concern every voter in the Congressional District.

...writer initially came across the docu... as a volunteer for Snow's opponent in ...imary. The allegations and the docu... themselves were brought to light by ... individuals who had been involved ...he stock transactions outlined below.

...layers

...main figure in this confusing narrative ...hael Strand, a stock manipulator twice ...ted for securities fraud and most re... released from custody only a few ...ago. Strand's *modus operandi* is to con... companies from the sidelines. Global Oil ...deception. In Global, Strand's wife, ...as the largest shareholder while Strand ...ally controlled the company. (The ..., by the way, donated about $7,000 to ... 1984 campaign for governor.)

...que Battery was a legitimate company ...which our second figure, John Darger, ...volved. Darger was directed to Strand ...nk officer when the company needed ...ch capital. Strand became deeply in... with Unique, eventually attempting to ...it with his own Global Oil in 1985. Such ...are a common stock manipulation ...me. The merger fell through, and law... and countersuits are still pending be... the principals in the two companies.

...story is confusing, and it will probably ...months for the media and the public to ...out. However, the reader who keeps ...things in mind will grasp the most sig... points: (1) Mike Strand has been twice ...ted of securities fraud—once before ...events and once after. He was still on ...for his first conviction when these ...took place. (2) Karl Snow has categori...lenied any connection to Strand's busi... (3) These events seriously disrupted ...s of many people.

...w has emphatically denied involve... with Strand's companies, ever being an ...or a director in Global Oil, or even ...g stock. Only recently has he admitted ...ning a small amount of stock, but it ...even these admissions are inadequate. ...n August 20 *Deseret News*, Snow makes ...several emphatic denials: "I never at... any board meeting of Global Oil. I ...accepted any stock in that company, ...gh it was offered. I haven't seen Mi... Strand in four years and have had noth...ing to do with his companies." A more complex picture has begun to emerge, however.

Deep and Broad Connections

• Darger's sworn affadavit in court files indicates that he was president of Unique Battery when he was introduced to Michael Strand as a man who could supply research capital. Darger has since said that Strand, in turn, introduced him to Snow. Strand described Snow to him as a person of "influence" who could get things done. Darger says that it was at Strand's urging that Snow was made a director of Unique and later of Global Oil.

• Stock reports and interrogatories indicate that only a few people received free stock in Unique Battery. At least two, a banker and a legislator, may have received stock for lending credibility, or, as an Atlas interrogatory puts it, "for separate and additional consideration other than the reorganization of Unique Battery." The banker, Lyman Smart, apparently committed suicide several months after the merger fell through. The legislator was Karl Snow.

• There is good reason to believe that Snow was instrumental in securing Strand's parole from prison after his first conviction. Keep in mind that Strand was still on parole for a fraud conviction when these events took place.

• Darger said he has been present many times with Strand and Snow together in meetings. Snow, Darger says, generally treated Strand deferentially during these meetings.

• Atlas Stock Transfer reports show Snow holding stock in '85, '86, and '87. One report shows six different stock transactions involving Snow over an eighteen month period. The reports show additional stock issued to Snow's mother, Wanda, and to his son, Rodney. Snow initially denied owning any stock, but he since admitted to buying about 11,000 shares. The Atlas report shows Snow with 117,500 shares in his name and and an additional 5,666 for his mother and his son. Snow suggests that the stock was held without his knowledge. This is conceivable but highly unlikely, especially since the SEC requires frequent reporting of stock transactions *and each report lists Snow's current Provo address.*

• As late as 1988—after Strand's second securities fraud conviction—records show that Snow's 100,000 shares of Global Oil stock were transferred to M & L Investments, another Strand company. M & L likely stands for Michael and Lois, as in Michael and Lois Strand.

Obfuscations and Deflections

• Snow claims that he was never an officer, a director, or a shareholder in these companies. However, court documents and company minutes list him as a vice president, a director, and a shareholder in Global Oil and / or Unique Battery. Snow says, accurately, that he was never registered as a director or an officer with the state. But in fact, the corporation was suspended for failing to register its officers over a lengthy period—precisely the period during which Snow apparently was an officer. The corporation filed with the state in January of 1985, and Snow was elected an officer on February 25 of that year. Finally, in mid-1986, the corporation was suspended for failure to file a report. The fact that Snow is not listed with the state in itself raises questions of impropriety. In any case, he could still have functioned as an officer during that period.

• Snow says that he has never manipulated penny stock and wouldn't even know how to do it. But that is beside the point. At the moment, the question concerns his close association with Strand and the possibility that Snow may have lent his credibility to the arrangements.

• Snow pointed out to us that some of the documents spell his name with a "C" rather than a "K." In fact, the Secretary Treasurer, Ronald Sorth, did spell Snow's name with a "C" when he (Sorth) resigned from the company. In his resignation letter, Sorth notes that he sent a copy to "Carl Snow, V.P." Sorth was likely responsible for the company's minutes, and the misspelling in his letter would thus be consistent. However, Snow's name is spelled correctly in the stock reports and numerous other documents.

• Snow claims that his signature has been forged on these documents. Of the two signed documents in this writer's possession, one is probably not in Snow's hand, while the other almost certainly is. The "forged" signature may have been signed with Snow's approval, however, since his signature was not needed and there was no motive to forge it. Snow's actual signature appears on an agreement for the planned merger of Unique and Global.

• Snow points out that he was not named in a suit involving Global and Unique. But also missing from the list was Lois Strand, the largest shareholder. Obviously, being excluded from that list says nothing about the extent of a person's involvement with Strand.

• When asked about the documents showing Snow's involvement, Strand has claimed that Darger frequently forged prominent names. But this answer is untenable given that one of the documents, showing Karl Snow sandwiched between the now deceased Lyman Smart and Lois Strand, was an interrogatory prepared by Strand and his secretary—not by John Darger.

• Snow has carefully spoken in terms of physical presence: "I have not *seen* Strand for over four years." "I did not *attend* board meetings," etc. Darger confirms that, indeed, Snow was sometimes *not* present at the meetings. But Darger says Strand usually had Snow on the telephone during such occasions, relating the proceedings to him as the meeting progressed.

Observations

1) *It's difficult to avoid concluding that Karl Snow has misrepresented the facts.* The only other explanation would be that he is exceedingly inept, but even this requires more faith and charity than the situation allows. Even if he had done nothing illegal, such apparent misrepresentations on the part of a public figure would be cause for concern.

2) *The array of documents is impressive.* When we asked Snow about the documents, he said that they were "fraudulent." But most of them are in court files, and they stem from a variety of sources: interrogatories prepared by Strand, resignations of officers, sworn affadavits, stock transfer reports, etc. It is highly unlikely that they are phony. Mark Hoffman himself would have had a hard time fabricating this one.

3) *In light of the documentary evidence Strand's and Snow's denials are simply not credible.* On the other hand, Darger's statements are plausible and consistent with the evidence already in court files.

4) *Public figures rarely risk such misstatements unless the stakes are high.* If Snow does not promptly offer explanations, people may suspect that he is hiding something for a reason.

5) *It is in everyone's interest to investigate this matter thoroughly.* Utah is already known as the fraud capitol of America. Given that reputation, any degree of involvement in such matters on the part of public figures cannot be taken lightly.

6) *Utah's media are either lazy or understaffed.* Many newspapers and television stations have had these very documents for months. Yet most have failed to make the most elementary deductions.

7) *Only the full truth will do.* The Strand connection is not a petty matter because Michael Strand is not a petty thief. Aware that articles including this one were in the works, Snow finally asked a CPA and a lawyer to look into the matter last week. These investigators should take care lest they find themselves defending the indefensible.

8) *Karl Snow is asking the voters to trust him.* He may be asking too much. Δ

Campus Venture

PRESENTS

The Lion's Den will be viewing six video presentations by popular campus speaker Josh McDowell. There will be discussion after the presentation.

TIME: Friday, 8:00
PLACE: Wilkinson Center, Room #304

October
Josh McDowell set out on an intellectual adventure determined to prove that christianity was a hoax. After 2 years of intensive study he emerged a man deeply committed to Christ, a man able to give solid evidence of his faith, and a man ready to share those answers with others.
12- A Skeptic's Quest
It's okay to have doubts, to have questions regarding your faith. Josh shares how questioning actually strengthened his faith and brought him to a deeper knowledge and understanding of the scriptures.
19- Misconceptions of Christianity, Part I
26- Misconceptions of Christianity, Part II

November
The Uniqueness of the Bible
The Reliability of Scripture
Messianic Prophecy

CAMPUS VENTURE IS AN INDENOMINATIONAL CHRISTIAN GROUP

000263

Mike Strand lacked credibili[ty] ... Snow had it. Strand borrowed ... and investors got burned.

Snow & The Penny Stock Tag Team

COMMENTARY

by Lois Schultz

BYU major contributor Percy Kelly called Karl Snow in March of 1985 because Snow was a pillar of the community. If Snow said Mike Strand was OK, then Kelly would buy Strand a truck. Snow praised the truck, and Kelly invested - eventually losing everything. This surprised Kelly, but it didn't surprise those who really knew Strand. You see, at the time that Snow encouraged Kelly to invest, Strand had only recently been released from prison and was still on probation for a felony. You guessed it — stock fraud.

It's situations like this that earn Utah the title of "America's Fraud Capital." Operators use Bishops, Stake Presidents and other community leaders to lend credibility to reckless speculation and stock manipulation. And the unwitting Mormon with an ingrained "Mormon Authority Reflex" is a sitting duck.

Mike Strand is a master of such deals. One law enforcement source calls Strand "the most despicable man I have ever met. You've heard that there is honor among thieves, but that does not apply to Mike Strand."

Last week we revealed evidence of BYU Administrator and Congressional Candidate Karl Snow's business relationship with Mike Strand. It was noted that this writer initially came across the documents as a volunteer for Snow's opponent in the primary. Snow, we said, discounts the documents as forgeries. But we pointed out that the documents stem from various sources and are almost certainly genuine. Now Snow faces statements from others who witnessed his involvement.

On Monday Snow Spokesman Clark Caras told us that Snow had never denied having any connections with Strand. But in fact, he has come very close. In the August 20 Deseret News, Snow said: "I never attended any board meeting of Global Oil. I never accepted any stock in that company, although it was offered. I haven't seen Michael Strand in four years and have had nothing to do with his corporate (emphasis added)." Snow has made similar denials on many occasions.

We assure, along with the documentary evidence (SR, Oct. 2 1990), have now made Snow's denials untenable. And the fact that Snow has been less than honest is a fact that must concern the public.

John Darger

"Bond Debt Strings" — John Darger of Riverton, Utah says he attended many meetings with Snow and Strand. Strand's interactions with Snow were frequent, Darger says. One scene in particular is etched in his memory—both because it was so startling and because it occurred more than once. Strand would insist that Snow do something, and Snow would decline. "You are f— ing going" to do it, Strand would bellow, pounding his fist on the table. Invariably, Snow would give in. "What Strand would say, Karl would do," Darger says.

Darger says, "when Strand first got involved, he told us that he had political connections who had pulled strings to get him out [of prison]." Strand also told Darger they needed someone with "influence" who could get things done. Darger says Strand told him, "I want Senator Snow to be involved." So he insisted Snow drown one day, and that was the first time I met him."

Darger sat in on various phone conversations between Strand and Snow. Some of these concerned stock prices. Darger says he remembers clearly that one "concerned the price of stock, that the stock needed some support in the market. I remember Strand telling him he was sure he'd make money."

Herbert Gleason

An Illusion of Legitimacy — "Oh yes," says Herb Gleason an investor who now lives in Lakeland, Florida. It was clear Karl Snow was deeply involved from the beginning. We met Snow, Lyman Smart, and others — we met them all." Lyman Smart, a bank officer, died under mysterious circumstances months after these events took place.)

In the Spring of 1985, Gleason attended several of Strand's meetings in which Karl Snow participated. Gleason says Snow frequently went in and out of an adjacent office to make phone calls. "Snow's name was on the door, but we knew that it was his space. Snow was high and mighty. We felt we were not as important," says Gleason.

Gleason invested heavily, ultimately losing around $118,000. He also got friends including Percy Kelt to invest. The credibility borrowed from Snow and Smart was critical for all the investors, Gleason says. "Without their involvement, we never would have gotten involved. Their credibility swept us along."

Strand knew he lacked credibility, Gleason says. "Strand was a blasphemer, and he didn't have credibility. But he would tell us that he had all these prominent guys in his pocket. They were there to establish his credibility."

Strand's antics at the meetings he and Snow both attended are nearly comic. "He [Strand] put people down. They would all defer to him. He would march around the room, scribbling figures on the board, swearing, gesticulating." Strand would sometimes even stand on his chair to emphasize a point.

> *"Strand was a blasphemer, and he didn't have credibility. But he would tell us that he had all these prominent guys in his pocket."*
> — *Herb Gleason*

Percy Kelt

The Perfect Target — "I never would have trusted Strand," says Percy Kelt of Provo. "To see him is not to trust him. But he told me about Karl Snow, Lyman Smart, and others." Kelt went to Snow for advice: "When I asked Snow about the company, he told me he was a major stock holder and a member of the board, and he said it was a good investment."

Kelt is a musician, a novice in the world of stocks, and the perfect target for this kind of scam. Kelt was initially contacted about this investment by Herb Gleason. At the time, Kelt had children on LDS missions and was struggling financially, so he considered the investment seriously — even though he would have to borrow the money.

Kelt recalls, "I went to the Boston Building in Salt Lake to visit Mike Strand, who told me that if I paid $25,000 for 7,000 shares, I could sell them in less that thirty days for three times their present value." Strand told Kelt that if he had any questions to talk to Karl Snow."

Snow Says Go — "I told Mr. Snow that I had been referred to him by Mike Strand on an investment proposal, and I understood that he could shed some more light on this. Snow said that, yes, he was a major stock holder. I told Mr. Snow that I would have to borrow the money, that this came at a difficult time when I had bills on missions and in college, and I didn't want to do anything that would put my mortgage finances in jeopardy. He assured me that this was a good thing. He also told me that he was a member of the board.

"I also asked Mr. Snow about what Mr. Strand had said about his release from prison — that it had been facilitated by Snow and that Snow felt that the IRS had put him in there unjustly. Snow confirmed this and said that Strand's conviction was a travesty." Snow told Kelt that Strand's conviction was an IRS problem, but Strand had actually been convicted for securities fraud and was still on probation.

"I came away with the definite feeling that I should do it, since he said he was a major stock holder. He said he had bought some stock and that he had received some for services he had performed. He mentioned a figure of around 100,000 shares. I remember feeling that this was certainly a lot of stock, compared to my 7,000 shares, and that's why I remember the numbers distinctly." Based on Snow's assurances, Kelt invested. Mrs. Kelt also felt she had strong objections to the plan, stating that her husband repeatedly tried to reassure her by referring to those — including Snow — who were involved.

> *"'I have six Jaguars,' Strand would say as he lit a new cigarette from an old one, 'your $23,000 means nothing to me.'"*
> — *Percy Kelt*

Anatomy of a Scam — Kelt wrote out a check on April 26, 1985. After an initial gain, Kelt's stock began a steady decline. All the while, Strand assured Kelt that it would turn around. Finally, when his stock was next to worthless, Kelt approached Strand again. This time, Strand offered to transfer his stock to another company, Atlantic Mining Inc. Kelt agreed, and then watched this stock collapse. Meanwhile, the stock he had just traded to Strand mysteriously began to rise. (This should give the novice a sense for how a stock fraud scheme works.)

Now when Kelt talked with Strand he was treated disdainfully. "I have six Jaguars," Strand would say as he lit a new cigarette from an old one, "your $23,000 means nothing to me." This was the man with whom Kelt invested based on Snow's character reference.

Kelt now asked Snow for an explanation, but Snow immediately distanced himself from the affair. "Don't get me involved with this. I have nothing to do with it," Snow told Kelt's investment was a total loss: $23,000 plus interest on the loan.

Financially ruined, at his wits' end, and stifled in his attempts to seek justice, Kelt took matters into his own hands. He attempted to bomb Strand's house. The events which followed ran, in light of the above, he viewed with a significant degree of sympathy. Kelt, who had been a respected professor at BYU, now found himself in legal difficulty, out of work, and struggling to put bread on the table. Today, he lives in the basement of his own home, the main part of which he rents out to help cover his debts.

Your Old Friend Karl — In August of this year, Kelt returned from vacation and found a message from one of Snow's aides on his answering machine. "We know you've been looking information about Snow's relationship with Strand to the media," the voice said "and we wondered why you would do such a thing." Kelt called Snow to tell him that he had been on vacation and knew nothing. "I'm glad to hear that," Snow replied.

This was not the only attempt to intimidate Kelt. On September 27, after reading a draft this writer's first article, Karl Snow again called his old friend Percy Kelt. Kelt describes the call: "This call lasted over an hour. He tried to justify himself to me, and tried to plant thoughts in my mind as to what I should remember about the affair." Snow said he had not told Kelt of having 100,000 shares of Global stock, but that it was actually 100,000 shares of another Strand outfit.

Kelt says Snow "abandoned having been an officer in the company and denied having helped Mike Strand out of prison. Twenty minutes later, we brought the subject again, and I said, 'Mike Strand gave me your name and said that you had helped him get out of prison when he [the IRS] had put him there.' Snow said 'Yes, that's true.'" Charitably, Kelt did not point out the contradiction.

Kelt says Snow then said that he "wouldn't like me to sign an affidavit that he had not influenced me to invest and that he had not said that he was involved. He said that he would have someone contact me."

Conclusions

1) The statements of Darger, Kelt, and Gleason are plausible and consistent with each other and with evidence in court files.

2) When we asked Clark Caras about Kelt, Darger, and Gleason, he answered, "Snow has done nothing legally, morally, or ethically wrong." The last two are certainly debatable, while the first is beside the point.

3) Whether Snow was "used" is not important. What if he was "used"? This is precisely the point. If he succumbs to Strand, how will he handle the ethical complexity of Washington? If he was a pawn, then he is easily manipulated and is a poor judge of character.

4) Caras asked us why no one has printed these things out before. Here's why: To speak of a man's wrongdoings is normally gossip. But someday the priest may ask "does anyone knows a reason why this couple should not be wedded," adding, "speak now or forever hold your peace." At that moment, what was gossip becomes a civic duty. It is for precisely such a reason that no one brought this information out before - and why they do so now.

5) An attorney and a CPA are looking into the records. Hope for the best, but expect the worst. Expect a whitewash. Expect them to answer questions that weren't asked. Questions like: Is there evidence of any specific illegality? Just remember Percy Kelt.

6) Perhaps Snow's arrogance to date rests on well founded confidence that the public and press will continue to handle him with the kid gloves he has enjoyed to date. If he gets away with it, it will be a sad reflection on Utah.

000264

COMMENTARY

Karl Snow's Signature Raises Quest

by Eric Schulzke

On January 5, 1985, Karl Snow signed a "Plan and Agreement of Reorganization" which merged Unique Battery (U.B.S.I.) into Global Oil Company. We've reprinted the document below. It was signed and executed by the officers of both companies. It is not a proposal. It is a binding legal document. Karl Snow has admitted to signing it. It is, said one attorney who studied it, the one document he should have denied.

Snow signed the agreement as a "Seller." In the opening paragraph, the agreement defines "Sellers" as the "twenty-three natural persons who are the individual owners of all the issued and outstanding shares of U.B.S.I." By signing the document, Snow declared that he was one of these shareholders. To understand the problems the document raises, some generalized legal knowledge is necessary.

A Basic Course in Tax Law

1) Whenever anything of value is received or transferred, tax consequences may result. Anytime you receive stock for services you have or will perform in the future, it must be reported as taxable income—just like cash. If you receive stock in a company, and you did not pay for it in cash or other property, you must report the value of that stock as income on your tax return.

2) To knowingly fail to report taxable income, or to execute false documents to evade payment of tax liability, is tax fraud. Tax fraud is a federal felony, punishable by prison and a fine.

3) The completion of a felony is sometimes difficult to prove. Therefore, conspiracy to commit a felony is also a felony. In this case, conspiracy to commit tax fraud would entail conspiring to receive stock in a tax free transaction which knowingly would not qualify for tax free treatment. Conspiracy does not require completion of the felony, but merely planning to do so.

4) There is a method whereby stock may be received in a tax free transaction. It is called a "Type C Reorganization." If you own stock in a company ("target company") that is being merged into another company ("take over company"), then you may receive a proportional amount of stock in the new company without tax liability on the disposition of your old stock or receipt of the new stock. The purpose of such a merger is to spare the stockholders tax liability since they have not changed the nature of their stock investment.

5) To qualify to receive the new stock tax free, you must already own stock in the old company. If you don't own stock in the "target" company, and you receive stock in the "take over" company, and you did not pay for the new stock, then you must report the value of that stock as taxable income on your tax return.

Ownership in Unique Battery

Does ownership of stock in Unique Battery implicate Snow in tax fraud? The document Snow signed states that he owned stock in Unique Battery. When did he purchase it? How much did he pay for it? According to his accountant, the value of the Unique Battery stock was not included in Snow's tax returns. If Snow did own the stock, and did not pay for it, why isn't the value of the stock reported in income? If Snow did not own the stock, why did he sign a false document stating that he owned the stock? Apparently, the only answer which would avoid tax fraud for failure to report the value of the Unique Battery stock is that "I never held any Unique Battery stock."

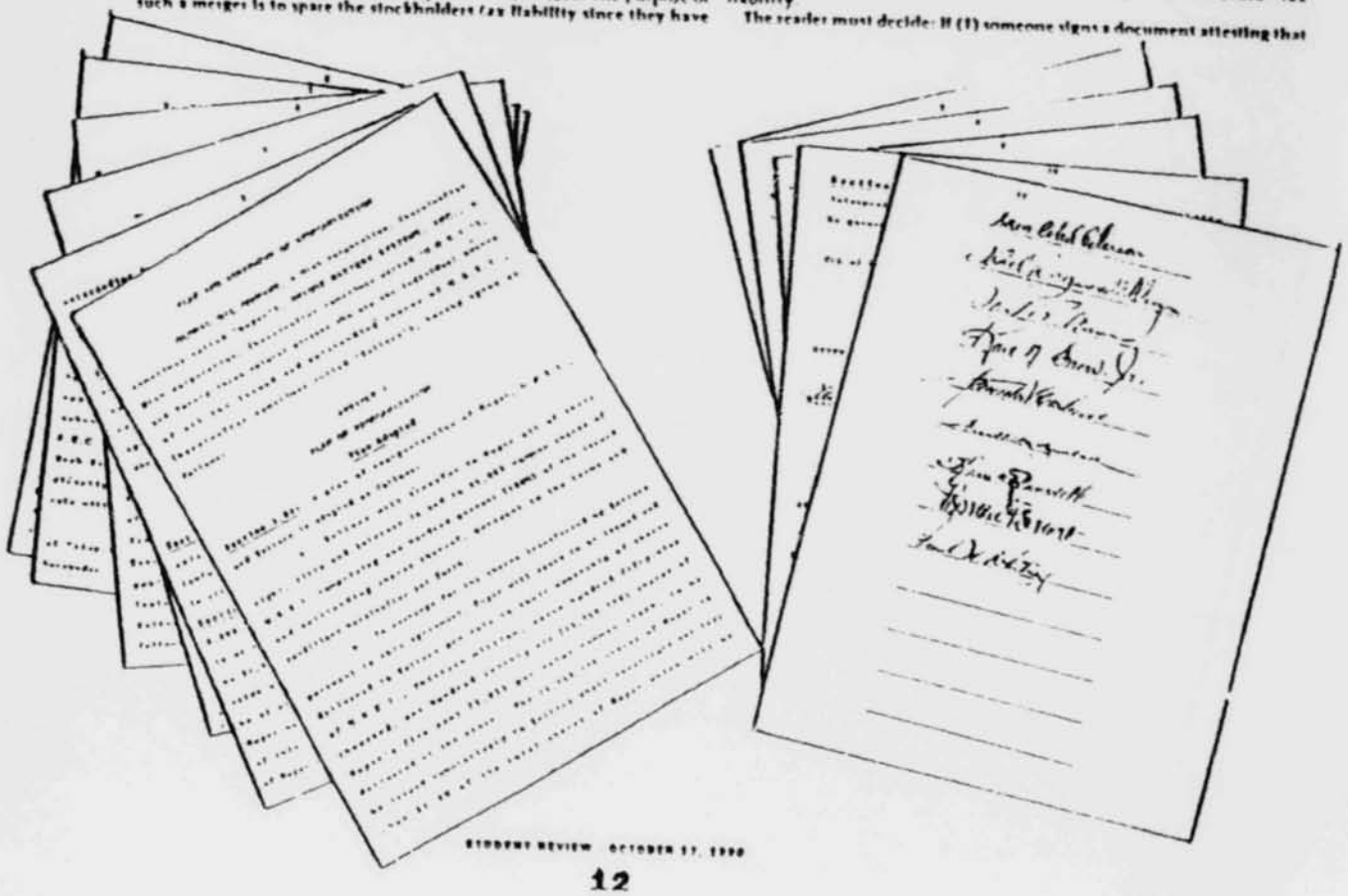
Of the 23 stockholders released to in the February 5 merger agreement, 19 were added on February1. These additional stockholders were added so they could be included in the merger on February 5. Former Unique President John Darger has said that Mike Strand told him the new names must be added so they could avoid tax liability. Some of the new "stockholders" actually paid money to purchase Unique Battery stock. Others did not.

The following is quoted directly from the October 6 Deseret News:

"Unique Battery documents show that Snow signed a reorganization plan, saying he held shares of Unique Battery stock that would be transferred to Global Oil for Global stock. Snow admits he signed the document. It is a perfectly legal way to transfer stock without incurring a tax liability. I never held any Unique Battery stock, however."

The document Snow signed is not a proposal. It is not preliminary. It is a legally binding agreement. In it, Snow claimed he was one of 23 shareholders in Unique. Now he says he knew that he never had any Unique stock, but that he knew the purpose the merger was to avoid "tax liability."

The reader must decide: If (1) someone signs a document attesting that



9704383086 7

000265

ions of Tax Fraud

they own stock in Company A, (2) they know the purpose is to receive stock in Company B without tax liability, and if (3) they did in fact not own the stock in Company A, is that not at least "conspiracy to commit tax fraud?"

Tracking the Stock

Assume for the sake of argument that Snow did not hold Unique Battery stock even though he signed the document stating he did. Is there possible tax fraud in receipt of the Global Oil stock?

To carry the logic beyond conspiracy, we must ask if the stock was ever issued. Apparently it was. Atlas Stock Transfer reports show Karl Snow with 100,000 shares of Global stock. In 1988, this same stock was transferred to M&L Investments. M&L stands for Michael and Lois Strand. Snow admits that he signed the stock transfer sheets which transferred this stock to Strand. On October 9, *The Daily Herald* reported that to facilitate the transfer of the stock, Strand stated that he "asked Snow to endorse back of some certificates and execute several blank stock powers for other certificates. . . . Snow's signature appears on the stock certificates, or stock power." Snow admits this: "I did give Mike a stock power – that is a common procedure in these matters." (*Deseret News* , October 6).

In the same article, however, Snow says he was unaware that the stock was held in his name. "It appears that I was used in this, that someone was trading on my name. I didn't know about it then. I never would have allowed it."

Snow signed the merger agreement by which he was to obtain the Global stock. An independent transfer company says the stock was issued to him and lists Snow's current address. Three years later, Snow signed documents to transfer that same stock over to Michael Strand.

How can someone transfer stock without owning it? Would anyone sign a stock transfer power if they didn't have power over that stock? Would a prudent man sign a stock transfer certificate, giving power to Michael Strand – a man twice convicted of stock fraud – without being fully aware of what it was and why he were signing it?

Apparently, the stock was issued to Snow in accordance with the agreement he signed on February 5, 1985. Snow claims the merger broke up, but not before the stock was issued. If it is true, as he claims, that he never owned any Unique Battery stock, then he was not elligible for tax free treatment on the receipt of the stock in Global Oil. When the Global Oil stock was issued, Snow would be required to report the value of the stock on his tax return.

Within sixty days of the agreement, Percy Kalt paid $5.00 per share for Global Oil stock. The value of Snow's would be $500,000. Snow's CPA states that the value of the stock was not reported on his tax return. Even if Snow were acting as a Nominee for Mike Strand, as claimed by Snow's CPA, that is no defense. A nominee must report on his own tax return all stock transactions conducted in his name as a nominee for another person. But there is no indication on any of the documents that he was a nominee, and according to his own accountant he made no such report on his tax returns.

In summary, the facts indicate the following: 1) Snow signed a document claiming to be a

see Snow on page 14

PLAN AND AGREEMENT OF REORGANIZATION

GLOBAL OIL COMPANY, a Utah corporation, (hereinafter sometimes called "Buyer"), UNIQUE BATTERY SYSTEMS, INC., a Utah corporation, (hereinafter sometimes called "U.B.S.I."), and Twenty-three natural persons who are the individual owners of all the issued and outstanding shares of U.B.S.I., (hereinafter sometimes called "Sellers"), hereby agree as follows:

The opening paragraph of the document in which "sellers" are defined as shareholders in Unique Battery.

b. Sellers are persons of sufficient business experience to evaluate this transaction.

"Sellers" attested that they know what they were doing.

Karl N. Snow, Jr.

Karl Snow's acknowledged signature as a "seller" declaring that he held stock in Unique Battery.

Editor's note: Due to time and space restrictions, we were not able to provide Mr. Snow an opportunity to respond in this issue. Next week, Mr. Snow will be given 1,000 words unedited to respond to this article and to the statements of Percy Kalt, John Dangar, and Herb Gleason which appeared in last week's issue.
We were also unable to print the supporting documents in their entirety, but they are available to the public. To view the documents call 377-2980.

"Y

9704383008688

000266

...kholder in Unique Battery in order to aquire tax ...ck in Global Oil.

2) Snow never paid anything for the Unique Battery stock and did not report its value on his tax returns.

3) Snow did not, according to his own statement, at any time own stock in Unique Battery.

4) According to Snow's own statement, a primary purpose of the document Snow signed was to "avoid tax liability."

5) 100,000 shares of Global Oil stock were in fact issued to Snow pursuant to the agreement.

6) Snow's signature appears on stock in 1988 transferring that 100,000 shares to a trust owned by Mike Strand.

7) Snow never reported the Global Oil stock on his income tax return.

8) Snow never reported holding the stock as a nominee.

You, the reader, must ask ...ver all of the questions have been asked and answered, and whether you w...feel safe from the IRS if you had performed these transactions.

Notes

1) Legally, you cannot say you did not know what you were signing. An acknowledged signature will be admitted in court as evidence to the truth of the matters or events contained in the document. It is no defense to say you didn't read the document. It is no defense to say you were stupid.

2) The fact that only eleven of the twenty three stockholders signed this document is irrelevant. The stockholders could sign separate duplicates of the document and the agreement would still be valid. They don't all have to sign the same copy. More importantly, Snow's signature legally binds him, attests to his understanding of the document, and stands as evidence of his intent.

3) Whether Snow had possession of the stock certificates is immaterial. All that matters is that he received something of value (stock) and knew he had a title to it. Snow's signature on the document acknowledges he had received title to stock in Unique Battery. Snow's signature on Global Oil stock transfer certificates by which the stock was transferred in 1988 demonstrates that he knew he held title to that Global stock.

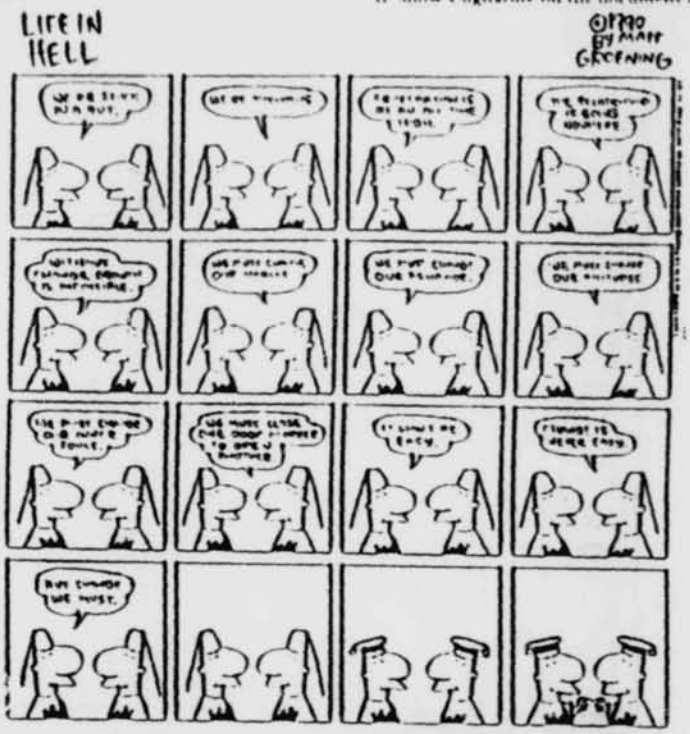
4) The report of the CPA Snow hired to clear him is seriously flawed. In conclude, as they did, "We are convinced it [the stock] was transferred without his knowledge" after reviewing the evidence discussed above requires an extraordinary leap of faith. It is an unwarranted conclusion.

5) This was not the only flaw in the report. The report addressed four narrowly focused questions. Two of the four ("Insider trading" and "whether he made any profit") were never issues at all. They were answers to questions that were never asked. Furthermore, as the above analysis makes clear, even the relevant questions were handled poorly.

6) On KUTV's "Take Two" last Sunday, Snow said: "Let's make it clear that Mr. Snow was offered 100,000 shares of stock if he would become a member of the Board of Directors. Before I could tell them that I would not become a member of the Board of Directors, a share of stock of 100,000 shares was issued to me. A stock power was issued, immediately giving it back." Snow signed the merger agreement on February 5. According to Percy Kalt, Snow represented himself as an corporate officer in April. According to Snow himself, he did not leave the company until May or June. Stock was not issued until June 28. Four months is certainly a long time to make such a decision and the stock was issued after he finally made it.

7) The legal implications of this merger agreement alone prove that the matter is far from resolved. Adequate explanations have yet to be offered. The most serious questions yet to be even asked. Once again, the media has been derelict in its duty.

8) Final question. Readers ask yourselves: why would anyone sign a document saying he was exchanging stock he did not own for stock he was not going to receive and then sign over stock certificates he claims he never got to Mike Strand, a convicted stock felon? Is that credible? A



ALLIGATOR · CRAWFISH · CATFISH · FROG LEGS · HUSHPUPPIES · JAMBALAYA · RED BEANS & RICE · LA HOT SAUSAGE · SHRIMP · SCALLOPS · SHRIMP
For Great Seafood
The Cajun
For Delicious Fried Chicken and the Best Hot Wings
The Cajun
For Authentic Cajun Cuisine
The Cajun
For Super Po Boy Sandwiches
The Cajun
AND FOR MUCH, MUCH MORE AT REASONABLE PRICES, COME TO THE LITTLE RESTAURANT WITH THE BIG RESTAURANT TASTE!!
The New HOT SPOT In Provo
The Cajun
46 West 1230 North
Provo, Utah
377-7488
Open for LUNCH & DINNER

12 YEARS OF PURE PARTY
Sat. Oct. 20
TWELFTH Palace ANNIVERSARY
• Every 12th Person FREE
• Prizes Every 12 minutes
• 12 Personal Stereos
• 12 Dozen Limited Edition Palace T-Shirts
★ $1 before 12 midnight with this card
★ Lots and Lots of Prizes
★ Gift Certificates
★ KZHT Prizes
★ FREE Domino's Pizza until 10
•501 NORTH 900 EAST•
PROVO • 374-9272

000267

EXHIBIT B.

DEBATES:

(Continued from Page A1)

have a platform."

Snow's wife Donna represented Snow to the women's group, saying her husband was elsewhere.

Mrs. Snow pointed out her husband's 12 years of experience in the state Legislature and noted he had worked with the Women's State Legislative Council in the past.

Snow arrived 11 minutes late for the University of Utah debate.

While waiting, Orton suggested to Hinckley Institute Chairman Ted Wilson that he should begin his opening statements without Snow being present.

"I want Karl to be here," said Wilson.

"I don't think he listens anyway," joked Orton.

The two candidates also had a joint radio appearance and a joint television appearance Thursday.

Snow told those at the Hinckley Institute his academic prowess was in the field of public administration and budgetary systems. He said his legislative experience would allow him to "hit the ground running" in Washington.

"Many wonder when you hit the ground, which way you will be going," said Orton.

Orton repeated his 10-second sound bite criticism and Snow said Orton also spoke in 10-second sound bites.

Orton took issue with alleged Snow statements that every county officer in the 3rd District supports him. Orton said that isn't the truth.

Snow told those at the university that he did have an agenda and said he has already been asked to join the tax advisory Grace Commission if elected to congress.

"Apparently, he has found an agenda said Orton. He said that in earlier joint political events, Snow had announced that he would go to Washington without an agenda and just listen.

At all four of Thursday's 3rd District campaign events, the federal budget and deficit was a key issue.

Snow said he differed from Orton because his budget proposals called for no new taxes.

Orton suggested a three point approach of budget process reform, spending cuts and tax reforms, including a new federal transfer tax to retire the federal deficit.

Snow said he would freeze spending, increase the federal budget 4 percent instead of the usual 10 percent, and allow growth and the budget reduction to pay off the federal debt within seven years.

Orton called Snow's plan an idea of the 1980s — basically David Stockman's trickle down concept.

Snow said it wasn't the same idea as Stockman's and was a new concept supported by the congressional budget office.

"You don't have to tax," Snow said. "You just have to stop spending more than is coming in.

He called Orton's transfer tax inflationary.

Orton said part of Snow's budget plan would eliminate cost of living allowances in programs for the elderly.

"I never said I won't support COLAs," said Snow. He said his approach for such programs would be to cut spending and not to eliminate cost of living allowances.

"There was much of good" in the civil rights bill vetoed by Bush, said Snow. But he added that "there were plenty of reasons to veto it" too.

He said it would have changed the burden of proof on job discrimination suits from the employee to the employer, and Snow said that was not good.

Orton agreed with problem of changing the burden of proof. But he said in balance it should have passed. He said he would have voted for it and to override the veto.

On the saving and loan crisis, Orton said it doesn't help to point fingers of blame and said the system needs overhauling.

Snow said the crisis was caused by deregulation and increasing the federal insurance rates for federally insured programs. He said at least 100 other programs insured by the federal government could end up costing taxpayers $14 billion. He said federal regulation must be reinstated.

Both candidates said they support the clean air bill.

"We only have one earth," said Orton. He said he is in favor of "holding polluters' feet to the fire, and believes it could be done without losing jobs.

Snow said Geneva Steel has made a good faith effort to meet clean air standards, and he said he supported new standards that will add about $175 to each new automobile. "That's a small price to pay," he said.

Snow also said he would be willing to consider a light rail public transportation system for Utah.

Both candidate's personal pasts were questioned.

Orton was asked about delinquent taxes. He said they stemmed from a dispute he has with the state. Orton indicated that he has appealed and has met every requirement of the state.

Snow said allegations from Utahns for Ethical Government and others relating to allegations of involvement with convicted felon Michael Strand and Global Oil/Unique Battery have been reviewed extensively and he has been cleared of wrongdoing by four attorneys and a certified public accountant.

Orton said he would not criticize Snow over the Republican's past, but he said there are some unanswered questions. He called the Independent CPA audit not independent since it was prepared by a Snow supporter.

Snow tries to tie Orton to Norton

He labels them 'Bobbsey Twins'

By PATRICK CHRISTIAN
Herald Staff Writer

SALT LAKE CITY — Republican congressional aspirant Karl Snow, tried again Thursday to link Snow-critical Utahns for Ethical Government to Bill Orton, Snow's Democratic opponent.

During a noon debate at the Hinkley Institute at the University of Utah, Snow said Utahns for Ethical Government spokesman Scott Norton and Orton were college chums.

Snow sparked audience laughter when he said — "In school they were known as Norton and Orton, the Bobbsey Twins."

Orton told those at the Hinckley debate that he was never a friend of Norton. He said he was in the bishopric of a Brigham Young University attended by Norton's girlfriend and frequented by Norton. But he said they were not friends.

After the debate, he told The Daily Herald, "Norton and Orton, the Bobbsey Twins," was a phrase he heard for the first time from Snow during the Hinckley debate.

Both candidates had a full day of campaigning.

For Orton, it began Thursday morning in the Salt Lake County Commission Chambers — speaking to the Women's State Legislative Council.

Orton told the women he wasn't a politician and criticized politicians for "thinking in 10-second time bites, because that's what gets you on television."

Orton said he liked Snow and didn't want to say anything negative about him. But Orton said he would offer a Snow quote — "I would go (to Washington) with no agenda."

Orton said, "I have an agenda. I

(See DEBATES, Page A2)

9704383087 0

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

June 16, 1995

PERSONAL AND CONFIDENTIAL

Hon. William H. Orton
440 Cannon H. O. B.
Washington, D.C. 20515

RE: MUR 3192
William H. Orton
Orton for Congress
and Jennifer Wilson, as treasurer

Dear Representative Orton:

Pursuant to my telephone conversation with Jennifer Wilson of your staff on Friday, June 16, 1995, this is to confirm that your deposition in the above-captioned matter has been rescheduled. The deposition is now scheduled for Monday, July 10, 1995, at 10 a.m. The deposition will still be taken at the Office of the General Counsel, Federal Election Commission, 999 E Street N.W., Sixth Floor, Washington, D.C.

Please call me at (202) 219-3690 if you have any questions.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

9704383087 1

STATEMENT OF DESIGNATION OF COUNSEL

MUR 3192

NAME OF COUNSEL: Charles J. Cooper/Michael A. Carvin

ADDRESS: Shaw, Pittman, Potts & Trowbridge
2300 "N" St., N.W.
Washington, D.C. 20037

TELEPHONE: (202) 663-8257

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
JUN 12 10 57 AM '95

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

6/5/95
Date

Signature

RESPONDENT'S NAME: Kenneth Murdock

ADDRESS:
4048 Devonshire Drive
Provo, Utah 84606

HOME PHONE:

BUSINESS PHONE: (801) 489-1601

9704383087 2

STATEMENT OF DESIGNATION OF COUNSEL

MUR 3192

NAME OF COUNSEL: Charles J. Cooper/Michael A. Carvin

ADDRESS: Shaw, Pittman, Potts & Trowbridge
2300 "N" St., N.W.
Washington, D.C. 20037

TELEPHONE: (202) 663-8257

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
JUN 12 10 57 AM '95

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

6-7-95
Date

Signature

RESPONDENT'S NAME: Scott Lee Norton

ADDRESS: 4230 Scenic Drive
Provo, Utah 84604

HOME PHONE: (801) 222-9757

BUSINESS PHONE:

9704383087/3

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 15, 1995

BY HAND DELIVERY
PERSONAL AND CONFIDENTIAL

Hon. William H. Orton
440 Cannon H. O. B.
Washington, D.C. 20515

RE: MUR 3192
William H. Orton
Orton for Congress and
Jennifer Wilson, as treasurer

Dear Representative Orton:

On December 16, 1994, you were notified that the Federal Election Commission had found reason to believe that you violated 2 U.S.C. § 441a(f) and that Orton for Congress and Jennifer Wilson, as treasurer, violated 2 U.S.C. §§ 434(b) and 441a(f), provisions of the Federal Election Campaign Act of 1971, as amended.

Pursuant to its investigation of this matter, the Commission has issued the attached subpoena requiring you to appear and give sworn testimony beginning at 10 o'clock a.m. on Friday, July 7, 1995, which will assist the Commission in carrying out its statutory duty of supervising compliance with the Federal Election Campaign Act of 1971, as amended. The deposition will be conducted at the Office of the General Counsel, Federal Election Commission, 999 E Street N.W., Sixth Floor, Washington, D.C.

You may consult with an attorney and have an attorney present with you at the deposition. If you intend to be so represented, please advise us of the name and address of your attorney prior to the date of the deposition.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid $40, plus mileage. Subsequent to the deposition, you will be sent a check for the witness fee and mileage.

9704438308 7 4

Please note that the subpoena also requires you to produce, prior to the deposition, certain documents that may be in your possession. You may consult with an attorney and have an attorney assist you in the preparation of your submission. However, you are required to submit the information not later than June 30, 1995.

Within two days of your receipt of this notification, please confirm the scheduled appearance with me at (202) 219-3690.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

Enclosure
Subpoena

9704383087/5

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 3192
)

SUBPOENA

TO: Hon. William H. Orton
440 Cannon H. O. B.
Washington, D.C. 20515

Pursuant to 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby subpoenas you to appear for deposition with regard to the above-captioned matter. Notice is hereby given that the deposition is to be taken on Friday, July 7, 1995, at the Office of the General Counsel, Federal Election Commission, 999 E Street N.W., Sixth Floor, Washington, D.C., beginning at 10 o'clock a.m. and continuing each day thereafter as necessary.

Further, pursuant to 2 U.S.C. § 437d(a)(3), you are hereby subpoenaed to produce all documents in your possession that in any way refer to, are about, or contain information reflecting any communication between August 1, 1990 and November 30, 1990 between yourself and any of the following individuals: Eric Schulzke, Ken Murdock, George Murdock, Scott Norton, Sheldon Kinsel, Dan Darger, Jacqueline de Gaston, and Peggy Burdett. This includes, but is not limited to, any telephone or cellular telephone toll billing records reflecting calls made or received by you in which such communications took place. Should you claim a privilege with respect to any documents or communications that may be covered by this subpoena, describe the documents or communications in

9704383087/6

sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all grounds on which it rests. Legible copies which, where applicable, show both sides of the documents, may be substituted for originals. The documents must be submitted to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, by June 30, 1995.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C., on this 15th day of June, 1995.

For the Commission,

Danny L. McDonald
Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

9704383087 7

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 15, 1995

BY FEDERAL EXPRESS

Custodian of Records
U S West Newvector Group Inc.
c/o The Corporation Co., Registered Agent
1675 Broadway, Suite 1200
Denver, Colorado 80202

RE: MUR 3192

Dear Sir or Madam:

The Federal Election Commission has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, United States Code.

The Commission has issued the attached subpoena which requires U S West Newvector Group Inc. to provide certain information in connection with an investigation it is conducting.

Because this information is being sought as part of an investigation being conducted by the Commission, the confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) applies. That section prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made. You are advised that no such consent has been given in this case.

Please note that a response is due within ten days of the agent's receipt of the subpoena. If you have any questions, please contact me at (800) 424-9530.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

Enclosure
Subpoena

Celebrating the Commission's 20th Anniversary
YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED

9704383087/3

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)
)
) MUR 3192
)

SUBPOENA TO PRODUCE DOCUMENTS

TO: Custodian of Records
U S West Newvector Group Inc.
c/o The Corporation Co., Registered Agent
1675 Broadway, Suite 1200
Denver, Colorado 80202

Pursuant to 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby subpoenas cellular telephone billing records reflecting calls made in the period beginning August 1, 1990 and ending November 30, 1990 from the following numbers:

If these were not numbers provided to cellular telephone customers by U S West Newvector Group Inc. or its predecessors in interest from August 1, 1990 through November 30, 1990, please provide copies of your records that so indicate. Notice is given that the subpoenaed documents must be submitted to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, within 10 days of your receipt of this subpoena. Legible copies which, where applicable, show both sides of the documents may be substituted for originals.

9704383087 9

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this 15th day of June, 1995.

For the Commission,

Danny L. McDonald
Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

9704383080880

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 15, 1995

BY FACSIMILE AND CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Dawne Welch
Customer Care
Salt Lake Cellular Telephone Co.
5 Triad Center
Suite 400
Salt Lake City, Utah 84180-1104

RE: MUR 3192

Dear Ms. Welch:

The Federal Election Commission has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, United States Code. The Commission has issued the attached subpoena which requires you to provide certain information in connection with an investigation it is conducting.

Because this information is being sought as part of an investigation being conducted by the Commission, the confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) applies. That section prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made. You are advised that no such consent has been given in this case.

Please note that a response is due within ten days of your receipt of the subpoena. If you have any questions, please contact me at (800) 424-9530.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

Enclosure
Subpoena

9704383088 1

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)
) MUR 3192
)

SUBPOENA TO PRODUCE DOCUMENTS

TO: Ms. Dawne Welch
Customer Care
Salt Lake Cellular Telephone Company
5 Triad Center
Salt Lake City, Utah 84180-1104

Pursuant to 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby subpoenas cellular telephone billing records reflecting calls made in the period beginning August 1, 1990 and ending November 30, 1990 from the following numbers:

If these were not numbers provided to cellular telephone customers by Salt Lake Cellular Telephone Company or its predecessors in interest from August 1, 1990 through November 30, 1990, please provide copies of your records that so indicate. Notice is given that the subpoenaed documents must be submitted to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, within 10 days of your receipt of this subpoena. Legible copies which, where applicable, show both sides of the documents may be substituted for originals.

9704383088 2

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this 15th day of June, 1995.

For the Commission,

Danny L. McDonald
Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

9704383088 3

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 15, 1995

BY FACSIMILE AND CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Custodian of Records
U S West Communications
Security Response Center
1801 California Street, Suite 3250
Denver, Colorado 80202

Attention: Sharon Duran

RE: MUR 3192

Dear Ms. Duran:

The Federal Election Commission has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, United States Code. The Commission has issued the attached subpoena which requires you to provide certain information in connection with an investigation it is conducting.

Because this information is being sought as part of an investigation being conducted by the Commission, the confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) applies. That section prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made. You are advised that no such consent has been given in this case.

Please note that a response is due within ten days of your receipt by mail of the original copy of the subpoena. As you and I discussed in our telephone conversation of Monday, June 12, there are some telephone numbers listed on the attached subpoena for which we are particularly anxious to obtain a quick response. Accordingly, we request that you place a priority on retrieving billing records for the following numbers:

Celebrating the Commission's 20th Anniversary
YESTERDAY TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED

9704383088 4

If you have any questions, please contact me at (800) 424-9530.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

Enclosure
Subpoena

97043830885

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)
) MUR 3192
)

SUBPOENA TO PRODUCE DOCUMENTS

TO: Custodian of Records
U S West Communications Security Response Center
1801 California Street
Denver, Colorado 80202

Attention: Sharon Duran

Pursuant to 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby subpoenas long distance telephone billing records reflecting long distance calls made in the period beginning August 1, 1990 and ending November 30, 1990 from the following telephone numbers:

Notice is given that these documents must be submitted to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W. Washington, D.C. 20463, within 10 days of your receipt of this subpoena. Legible copies which, where applicable,

9704383088 6

show both sides of the documents may be substituted for originals.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this 15th day of June, 1995.

For the Commission,

Danny L. McDonald
Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

9704383088 87

PERKINS COIE

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
607 FOURTEENTH STREET, N.W. · WASHINGTON, D.C. 20005-2011
TELEPHONE: (202) 628-6600 · FACSIMILE: (202) 434-1690

June 30, 1995

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
Jun 30 4 25 PM '95

Lawrence Calvert, Esq.
Federal Election Commission
Office of the General Counsel
999 E Street, NW
6th Floor
Washington, D.C. 20463

Re: MUR 3192

Dear Mr. Calvert:

Enclosed you will find the Designation of Counsel from Orton for Congress, and Jennifer Wilson, as treasurer, and Congressman William Orton in Matter Under Review 3192. In response to your letter to the Respondents dated June 15, 1995, the attorneys who will represent Respondent at the deposition on July 10 are John Devaney and Holly Schadler.

The subpoena accompanying your letter requests Congressman Orton to produce documents that "in any way refer to, are about, or contain information reflecting any communication between August 1, 1990 and November 30, 1990 between the Respondent and any of the following individuals: Eric Schulzke, Ken Murdock, George Murdock, Scott Norton, Sheldon Kinsel, Dan Darger, Jacqueline de Gaston, and Peggy Burdett." After reviewing the records, no communications or documents have been found that are responsive to this request. We have, however, enclosed a copy of a letter from Sheldon Kinsel to Congressman Orton dated October 10, 1990 that may be helpful to your inquiry in this matter.

Respondent understands that he is under a continuing obligation to produce documents responsive to the subpoena. He will be returning to Utah and will continue his review of documents that have been unavailable to him while in Washington, D.C. We will attempt to produce any responsive documents as soon as possible prior to the deposition.

[04031-0001/DA951810.003]

9704383088

If you need to speak with someone next week, please call John Devaney at (202) 434-1624.

Sincerely,

B. Holly Schadler

Enclosure

9704383089

STATEMENT OF DESIGNATION OF COUNSEL

MUR 3192

NAME OF COUNSEL: Robert F. Bauer / B. Holly Schadler / Marc Elias / John Devaney

ADDRESS: Perkins Coie

607 - 14th Street, N.W. - Suite 800

Washington, DC 20005-2011

TELEPHONE: (202) 628-6600

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

6/29/95
Date

Signature

RESPONDENT'S NAME: Orton for Congress and Jennifer Wilson, as Treasurer

ADDRESS: PO Box 1997

Provo, UT 84603

TELEPHONE: HOME (703) 548-6435

BUSINESS (202) 225-7751

9704383089 0

STATEMENT OF DESIGNATION OF COUNSEL

MUR 3192

NAME OF COUNSEL: Robert F. Bauer / B. Holly Schadler / Marc Elias / John Devaney

ADDRESS: Perkins Coie

607 - 14th Street, N.W. - Suite 800

Washington, DC 20005-2011

TELEPHONE: (202) 628-6600

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

6/29/95
Date

William H. Orton
Signature

RESPONDENT'S NAME: William H. Orton

ADDRESS: PO Box 1997

Provo, UT 84603

TELEPHONE: HOME (____)_____

BUSINESS (____)_____

9704383089 1

10 Oct., 1990

Dear Bill;

I am hereby tendering my formal resignation, effective immediately, from your campaign. We have talked on many occasions about how to handle the information coming to light on Karl Snow's involvement in the Global/Unique case and related matters. I understand your refusal to raise this critical issue and the principles which lead you to this decision. However, I strenuously disagree with you on this. I strongly believe that you have an obligation to raise this issue which goes to the heart of his competence and worthiness to serve in the congress. That would give the voters the complete picture of this man. Only then could they intelligently decide whether to chose him to represent them--and I am confident they would not chose him.

Since I am convinced that this is a good government issue which goes to more basic considerations than who will represent this congressional district, I cannot sit by idly and not work to see it raised. Since you have made it clear that you will not permit your campaign staff or volunteers to raise this issue with anyone--and will fire anyone who does--I have no choice but to leave the campaign.

This is a very painful decision for me because, from my years of experience working with Congress, I know that you will be one of the truly great members of the House and that the nation needs all the men and women of your caliber we can muster if we are to successfully solve the many problems facing us. I wish you the very best of luck through the remainder of the campaign!

Sincerely,

Sheldon

I will complete the several research projects still in process in the next few days and get them to you to complete my obligations to the campaign.

9704383089 2

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 19, 1995

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. J. Michael Bailey, Esq.
Parsons Behle & Latimer
One Utah Center
201 South Main Street, Suite 100
P. O. Box 45898
Salt Lake City, Utah 84145-0898

RE: MUR 3192
Utahns for Ethical Government
and Scott Lee Norton, as treasurer

Dear Mr. Bailey:

Based on a complaint filed with the Federal Election Commission on November 29, 1990, and information supplied by your clients, Utahns for Ethical Government and Scott Lee Norton, as treasurer, and others, the Commission, on October 20, 1992 and December 13, 1994, found that there was reason to believe your clients, Utahns for Ethical Government and Scott Lee Norton, as treasurer, violated 2 U.S.C. §§ 433(a), 434(b), 441a(a), or alternatively 434(c), and 2 U.S.C. § 441d(a), and instituted an investigation of this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that violations have occurred.

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (ten copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

Celebrating the Commission's 20th Anniversary
YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED

9704383089 3

If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90 days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact Lawrence L. Calvert Jr., the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Brief

9704383089 4

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Utahns for Ethical Government and Scott Lee Norton, as treasurer	)	MUR 3192

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

On December 13, 1994, the Commission found reason to believe that Utahns for Ethical Government and Scott Lee Norton, as treasurer, violated 2 U.S.C. §§ 433(a), 434(b), 441a(a), or alternatively 434(c), and 2 U.S.C § 441d(a).[1] The Office of the General Counsel conducted an investigation. See 2 U.S.C. § 437g(a)(2). This brief is the result of that investigation.

II. FACTS

A. Background: Setting the Stage

Respondent Utahns for Ethical Government (UEG) is registered with the Commission as a political committee. On November 23, 1990, UEG filed its sole disclosure report with the Commission. That report showed receipts of $11,452.68 and expenditures of the same amount. UEG itemized all of its expenditures on Schedule E as independent expenditures in opposition to the candidacy of Karl Snow, who was the unsuccessful Republican nominee for United States Representative from the Third Congressional District of

1. The Commission had made similar findings on October 20, 1992. The December, 1994 findings were made consistent with the Commission's practice following FEC v. NRA Political Victory Fund, 6 F.3d 821 (D.C. Cir. 1993), petition for cert. dismissed for lack of jurisdiction, 115 S. Ct. 537 (1994).

9704383089 5

Utah in the 1990 general election.

This matter principally involves allegations that the expenditures reported by UEG as independent were in fact made in cooperation, consultation or coordination with William H. Orton, the Democratic nominee who won the election, or his authorized committee, Orton for Congress ("OFC"). In order to place this matter in context, it is necessary first to examine the facts and allegations that eventually gave rise to charges UEG made about Snow and to examine the bitterly contested Republican primary election in the Third District in 1990.

1. Michael Strand and Karl Snow

In the 1970s and 1980s, Utah developed a reputation as a center of fraud in the sale of so-called "penny" stocks. See Lynn Packer, The Phantom of Fraud: Why Is Utah Its Favorite Haunt? ("Packer"), Utah Holiday, Oct. 1990, at 25. Michael Strand was apparently a practitioner of such schemes. At the time of the 1990 election, Strand had twice been convicted of Federal crimes related to penny stock transactions. See United States v. Varah, 972 F.2d 357 (table) (10th Cir. 1992), available on WESTLAW at 1992 WL 186530 (affirming 1987 mail fraud convictions of Strand and associates); Strand v. United States, 675 F. Supp. 1283 (D. Utah 1987), aff'd., 865 F.2d 267 (table) (10th Cir. 1988) (denying petition for Writ of Error Coram Nobis in connection with Strand's 1978 convictions for securities fraud and tax evasion).

One tactic apparently employed by penny stock manipulators such as Strand was the use of locally prominent political and other community leaders -- who sometimes would have no knowledge

9704383089 6

of the manipulators' fraudulent intent -- to attract investors. See Packer at 27 (church leaders), 34-35 (political leaders). For a period in the 1980s, Karl Snow allegedly assisted in the promotion of at least one stock deal engineered by Michael Strand. Snow was an official of Brigham Young University in Provo, Utah, and a leader in the Utah State Senate. He had also been an unsuccessful candidate for the Republican nomination for Governor of Utah in 1984.

Around 1985, John Darger, then president of a company called Unique Battery Systems, Inc., was encouraged to merge the company with a corporation controlled by Strand known as Global Oil Company. Snow was assertedly one of the persons who encouraged John Darger to enter into the transaction. Snow also assertedly encouraged other investors to buy stock in one or the other of the corporations in anticipation of the merger. However, the proposed merger apparently was never consummated, and John Darger and the other investors lost substantial amounts of money. Although the Global/Unique deal was not one of the transactions for which Strand was criminally prosecuted, private litigation ensued.

9704383089 7

2. The 1990 Republican Primary

In 1990, Snow was a candidate for the Republican nomination for United States Representative from the Third Congressional District of Utah. The other candidate remaining in the race after the Utah Republican Convention was John Harmer. Harmer, who had served briefly in 1974 as Lieutenant Governor of California after being appointed by Ronald Reagan to fill a vacancy, was perceived by some as a charismatic, conservative outsider. By contrast,

Snow was perceived by some as the candidate of Utah's Republican establishment. See generally Dave Kaplan, Dominant Republicans in 3rd Not One Big Happy Family, 49 Cong. Q. Wkly Rpt. 2344 (1990). Victory in the Republican primary was apparently considered "almost a guarantee of success in November." Id.[2]

In the course of the primary election campaign, Snow and Harmer traded allegations of personal financial improprieties. Snow made an issue of a bankruptcy and other bad debts by Harmer. At about that time, the Harmer campaign began to receive anonymously provided information concerning Snow's business associations with Michael Strand. At least one source of this information was Salt Lake City attorney Daniel Darger, the brother of John Darger. Eric Schulzke, who was a cousin of Harmer's and a volunteer on his campaign, testified that there may have been other sources of the information. Harmer apparently brought the information's existence to the public's attention. However, according to one witness, the information became public too late in the primary campaign to have much effect.

On September 11, 1990, Snow defeated Harmer in the Republican primary. William Orton was unopposed for the

9704383089 8

---

2. In statements on and off the record, several witnesses confirmed that the conventional political wisdom in Utah prior to Orton's 1990 election was that no Democrat could be elected in the Third District. See infra n. 4. Congressional Quarterly noted that in the presidential elections of 1976, 1980, 1984, and 1988, the Democratic nominee had never received more than 30 percent of the district's vote. Kaplan, supra, at 2344.

Democratic nomination.[3]

B. Formation of UEG

1. Scott Norton

Scott Norton was, in 1990, the co-owner of a family grocery business in Pleasant Grove, Utah. Between about 1983 and his marriage in 1985, Norton attended a church "singles" ward, or congregation, of which Orton was an official. Norton described his relationship with Orton during that period as casual. Norton could not "recall a single instance" between 1985 and 1990 in which he and Orton "had any communication at all"; Orton recalled seeing Norton on occasion but no more than a handful of times between 1985 and early in 1990. After Orton became a candidate for Congress in 1990, he approached Norton at Norton's store and asked for a campaign contribution, but Norton declined.[4]

Norton testified that he had no connection to the campaign of either candidate in the Republican primary election, but his sympathies had "leaned toward Harmer." Roughly three weeks after the September 11, 1990 primary election, Norton was reading a copy of the Student Review over lunch.[5] In that issue of the Review

9704383089 9

---

3. Although unopposed for the Democratic nomination, Orton engaged in a series of debates during the primary campaign with Republican hopeful Harmer. Orton testified that on primary election night, he stopped by Harmer's house to express condolences.

4. Norton testified that he declined because he "didn't feel like throwing money away on a Democratic candidate" because "We don't have Democrats in this county."

5. The Student Review was an "alternative newspaper" staffed by students of Brigham Young University in Provo, Utah. It was not connected to the university. It was distributed throughout Provo and Orem, Utah.

was an article over the by-line of Review publisher Eric Schulzke, the former Harmer campaign volunteer, concerning Snow's business ties to Strand. After Harmer lost the primary election, Schulzke had retained possession of the documents provided to the Harmer campaign about Snow's business ties, and determined to keep the issue alive by writing about them in the Review.

Norton testified that the article "took the details of Snow's activities and showed where he lied, just lied and got away with it." This upset Norton. Shortly thereafter, Norton attended a birthday party for Orton along with other former members of the singles ward.[6] Norton testified that the Review article was "on my mind at the party," and he encouraged Orton to make an issue of Snow's business ties. According to Norton's testimony, Orton was "very forceful" in explaining that he would not do so, and that anyone associated with his staff who did so would be fired.

In the course of Norton's deposition, he was asked whether he would have followed a different course of action had Orton indicated a desire to pursue the issue of Snow's business ties. Norton replied, "Yes. I wouldn't have become involved because my itch is scratched. I wouldn't have -- I could go back to being a spectator."

9704383090 0

---

6. Norton testified that he attended the birthday party after reading the Review article, which was dated October 3. Orton testified that the birthday party was held in September, and, as a matter of public record, Orton's birthday is September 22. However, given Norton's strong recollection that he was originally motivated by reading the Review article, and given that Norton had by October 10 begun taking the steps that resulted in the formation of UEG, see infra at 8, it appears possible that the birthday party occurred between October 3 and October 9.

2. Sheldon Kinsel

Sheldon Kinsel had worked for the Orton campaign as a volunteer or consultant since about mid-August, 1990.[7] His duties included research and preparation of memoranda about issues, and about the positions of Orton's potential Republican opponents; he also assisted Orton with preparation for debates. On several occasions, Kinsel attempted to persuade Orton to make an issue of Snow's business ties to Strand. As with Norton, Orton told Kinsel that he would not do so, and that no person associated with his campaign would be allowed to do so.

However, where Norton had heard only a flat refusal on Orton's part to become involved with the issue, Kinsel had a different perspective after two months of volunteering and consulting for Orton's campaign. Kinsel testified that, in his impression, Orton's reasons for refusing to use Snow's business ties were pragmatic as well as principled. He testified that because Utahns held their elected officials to a "higher standard," so-called "negative campaigning" did not work as well in Utah as in other parts of the country, and that Orton risked voter backlash if he attempted to capitalize on Snow's ties to Strand. On the other hand, he testified, that same "higher standard" gave the simple fact that Snow was an associate of Strand greater impact in light of Snow's position at Brigham Young University, which is affiliated with the Church of Jesus Christ of

9704383090 1

---

7. Although Orton described him, and he described himself, as a volunteer, Orton for Congress disclosure reports on file with the Commission indicate that Kinsel received one consulting fee of $350 on October 8.

Latter-Day Saints.

Because Orton refused to raise the issue, Kinsel formally resigned from Orton's campaign by letter dated October 10. Kinsel testified that his intention in resigning was to pursue unauthorized campaign activity regarding Snow's business ties.[8]

3. Eric Schulzke

On or about October 10, after Norton learned of Orton's refusal to make an issue of Snow's ties to Strand, Norton called Schulzke, whom Norton testified he did not previously know. Norton testified that at this point, his idea was to reprint Schulzke's October 3 article in the Student Review as a newspaper advertisement. Norton testified that he asked Schulzke if Schulzke would like to put his article before a wider audience. By Norton's recollection, Schulzke was agreeable, but told Norton that another article was coming out in the October 10 Student Review. Norton apparently had vacation plans for the weekend of October 12-14, so the two agreed to talk again after Norton returned.

At around the same time -- not later than October 11, or the day after he left Orton's campaign, according to telephone records

9704383090 2

8. Spencer Taylor, who was treasurer and co-campaign manager of Orton for Congress, submitted a sworn statement containing a different account. According to Taylor, Kinsel violated Orton's rule against campaign staff publicly bringing up Snow's business ties and was asked to leave the campaign. On the other hand, Orton's testimony concerning Kinsel's departure generally supported Kinsel's version.

-- Sheldon Kinsel also called Eric Schulzke.[9] Probably the same day, Kinsel met with Schulzke, and, like Norton, indicated an interest in Schulzke's articles. Kinsel apparently suggested that Schulzke meet with Orton, who was a tax attorney, concerning the tax consequences of Snow's participation in the Global Oil - Unique Battery deal.

On or about October 12, Schulzke had such a meeting with Orton.[10] Schulzke testified that Orton demonstrated an intimate familiarity with the Global Oil-Unique Battery merger agreement, and explained in detail how Snow's signature on the document might have led to certain tax consequences for Snow. Schulzke further testified that the conversation formed the basis for his third and final article in the Student Review about Snow's business ties, and that Orton obtained a draft of Schulzke's article and made comments about it before it was published. The article was entitled, "Karl Snow's Signature Raises Questions of Tax Fraud." Orton did not recall this meeting specifically, but acknowledged

9704383090 3

---

9. Telephone records indicate that Kinsel called Schulzke at home at 8:42 a.m. October 11, then called the offices of the Student Review at 8:43 a.m. and had a four minute conversation.

10. It would appear the meeting took place on or about October 12 based on the following: first, the meeting had to have occurred after Schulzke's meeting with Kinsel on or about October 11, because Schulzke testified there was no other way he could have been connected with Orton. Second, the third Student Review article, which was based on Orton's comments during the meeting, was published October 17. Schulzke testified that articles had to go to press no later than Mondays in order to appear in the Review, a weekly publication, on Wednesdays. This means there had to be time, as discussed infra, for Schulzke to draft the article, for Orton to obtain a copy, comment on it, and for Schulzke to finalize the draft prior to the close of business October 15. Accordingly, this Office concludes the Orton-Schulzke meeting took place on or about October 12.

that it may have taken place, and that he had similar conversations off the record with other members of the news media.[11]

By Monday, October 15, Norton had returned from his vacation, and he met with Schulzke and probably Kinsel that afternoon at the Provo City Center. Reprinting of the Review articles was discussed, as was the possibility of a full-page newspaper advertisement; however, it appeared that a full-page ad in one of the Salt Lake City newspapers would be prohibitively expensive. One of the three apparently had information that there was to be a meeting of like-minded persons, including some former volunteers on the Harmer campaign and at least one investor who lost money in the Global-Unique deal, the next evening at the home of Jacqueline de Gaston.

9704383090 4

---

11. Orton testified that he may have had similar off-the-record conversations with Rod Decker, political reporter for Channel 2 in Salt Lake City, with the editor of the Provo Daily Herald, and with a reporter for the Deseret News of Salt Lake City. In the conversations, Orton testified, he explained how, "if you are signing a document like [the Global-Unique merger agreement], and you did not own stock in Unique Battery, and you were not getting stock in Global Oil but you are signing it fraudulently saying you did, then that is tax fraud." Orton's full explanation of what he told members of the media about the transactions, which runs for nearly two pages of uninterrupted deposition transcript, is similar to portions of Schulzke's third Student Review article.

However, Orton testified, he told at least the editor of the Herald that he did not think Snow was a knowing participant but may have been "duped", and that he only made the off-the-record comments because he wanted the media to "finish that thing [the issue of Snow's business ties]" so they could move on to covering policy issues.

Contrary to Schulzke's testimony, Orton testified that he did not possess a draft of the October 17 article prior to its publication.

4. Kenneth Murdock

At the October 16 meeting at de Gaston's house, Norton, Schulzke and Kinsel joined with Kenneth Murdock, who would become the fourth principal actor in UEG.[12] Murdock was a Utah County businessman who had been acquainted with Orton since the early 1980s, when Orton had dated his wife's sister. Orton was tax counsel to Murdock's business from "about 1986" until his election to Congress. Murdock testified that he and his family would occasionally socialize with Orton.

While neither Norton, Kinsel, Schulzke nor Murdock had a complete recollection of the meeting at de Gaston's house, their combined testimony indicates that all four attended the meeting; that all four left the meeting early because because of a difference of opinion with de Gaston and other former Harmer volunteers; and that all four caucused about what to do next, apparently in somebody's car, after leaving the meeting. By this point, on the evening of October 16, 1990, all of the principal players in UEG had joined.

9704383090 5

C. Activities of UEG and Roles of the Participants

UEG's expenditures primarily related to five communications. First, on October 24, 1990, UEG held a press conference in Salt Lake City in which John Darger and two other investors recounted their losses in the Global Oil-Unique Battery deal and why they

---

12. Telephone records indicate that several days earlier, on Friday, October 12, Kinsel called Murdock's home and spoke for 12 minutes; called his business at 8:55 a.m. and was connected for one minute; and called Murdock's home again at 8:57 a.m. and spoke for five minutes.

blamed Karl Snow for those losses. Second, on or about October 30, UEG distributed a paid insert through the Provo Daily Herald and 18 community newspapers in the Third District. The insert reprinted, with minor modifications, the second and third of Schulzke's articles about Snow that had originally appeared in the Student Review; the inside pages of the insert were largely a reproduction of the article, "Karl Snow's Signature Raises Questions of Tax Fraud", for which Orton had provided off-the-record commentary to Schulzke. The disclaimer at the bottom of the insert's back page read, "This publication is the product of Utahns for Ethical Government, a non-partisan, independent, citizen group. UEG hopes the voters will seriously consider their selection at the polls November 6th. We invite your comments and questions. Write UEG, P.O. Box 66, Provo, UT 84603." The disclaimer did not state whether the insert was authorized by any candidate or candidate's committee.

The third and fourth communications were two full-page display advertisements urging "Don't Vote for Snow" and "Get Out and Vote Against Snow" that ran in the Provo Daily Herald on Sunday, November 4 and Monday, November 5, 1990, respectively. The disclaimer on each advertisement reads "Paid for by Utahns for Ethical Government" but does not state whether the advertisement was authorized by any candidate or candidate's committee.

Finally, UEG aired a 60-second radio advertisement on station KSL in Salt Lake City several times on Monday, November 5, the day before the election. The script of the advertisement urges listeners to "Stop the Republican Snow Job" and to "Get out and

9704383090 06

vote against Karl Snow tomorrow. And return ethics to government." The script includes a disclaimer that says, "Ad paid for by Utahns for Ethical Government," but the disclaimer does not state whether the advertisement was authorized by any candidate or candidate's committee.

Each of the four main participants in UEG took an active role in the preparation and dissemination of at least some of the above-noted communications. Norton was apparently the group's leader and spokesperson. He had final approval over any material that, as spokesperson, he was to release to the press or public. He testified he was highly involved with the production of the the newspaper insert. He also apparently ordered, and had copy and design approval over, the newspaper display advertisements and the radio advertisement.

Murdock was also, by his own account, heavily involved with UEG. In fact, Murdock testified that his involvement with UEG took up substantially all of his time from the time the group started until election day, and that he was so busy he "barely showered during that three week period." He was particularly involved in arranging for the printing of the insert, and his wife and the husband of his wife's aerobics instructor conducted most of the actual delivery of the inserts to newspapers. He participated in brainstorming sessions "about what information we had, what we needed to have and how we needed to present it."

Schulzke and Kinsel apparently were not as involved in UEG as Norton and Murdock. Nonetheless, both played significant roles in the group. Schulzke also participated in brainstorming sessions

9704383090 7

regarding the press conference, and described himself as "pretty pivotal on the insert. I had done all of these documents. I had collected a lot of these quotations. The guy who did the layout on the computer was my friend. He did it partly for fun, but partly because I asked him to. And I had a lot to do with composing the introductory text and stuff." However, the writing, production and placement of the newspaper display advertisements and the radio advertisement were done after Schulzke had ceased most of his active involvement with UEG.

Kinsel also played a significant role in UEG. He offered general advice about strategy and logistics, and testified that he "helped review and edit and rewrite the insert that was put together." In particular, he remembered "pushing for larger headlines [in the insert], something that people would just look at and get the gist of it and not have to read through it," even though Murdock wanted more detail.[13] On one occasion, Kinsel testified, he caught a factual error in a statement UEG was about to hand out to the press, and called Norton on a mobile phone to warn him not to hand out the statement. He also testified that he remembered delivering printed inserts to a local newspaper near his home in Wasatch County, Utah. It also appears that Kinsel brought political knowledge to the group; Norton testified that "what Sheldon knew was[,] he knew this guy . . . Karl Snow's

9704383090 8

---

13. As it turned out, the insert contained both. On the insert's front page is a large headline reading, "Is Karl Snow Telling You the Truth?", followed by a series of quotations from Snow and others involving the nature of Snow's relationship with Strand. The inside and back pages, as noted, were primarily reprints of the second and third Student Review articles.

campaign manager, watch out for him, he's vicious . . . Sheldon . . . knew the players and I didn't know the players . . . he would help me identify who was really asking the questions behind the reporters and why."[14]

In addition to their own efforts, the persons who made up UEG were assisted by Peggy Fugal Advertising. Peggy Fugal testified that her agency prepared the press packets for the press conference, did slight editing and most of the design for UEG's newspaper display ads, and wrote, and possibly produced, the radio advertisement. Moreover, from time to time the group would use space in the offices of Peggy Fugal Advertising for its brainstorming sessions.

D. Potential Communications Between UEG Participants and Orton or Orton for Congress Staff

A review of cellular and long distance telephone billing records reveals that there were numerous calls placed between Kinsel's residence or Murdock's residence or cellular phone on the

9704383090 9

14. Murdock asserted that "by us [Kinsel] was not considered part of UEG" because "his only contact with us was occasional and he didn't do any of the work." Moreover, Norton testified that Kinsel was "not materially involved," and Kinsel testified that he "wasn't pivotal." However, while Kinsel may not have had as important a role as Murdock or Norton, Norton's own testimony, as well as Kinsel's, belie any notion that Kinsel was "not materially involved." Indeed, Schulzke testified that during the process of working on the insert's layout, Kinsel was present more than Murdock was.

Kinsel testified that he deliberately kept a low public profile with respect to his efforts in connection with UEG, both because of his previous connection with Orton's campaign and because Norton made it clear to him that his presence as a Democrat would not be helpful in meetings where the rest of the group attempted to gain the support of other dissident Utah County Republicans.

one hand, and Orton's residence or cellular phone or Orton for Congress headquarters on the other, between October 17 (the day after the meeting at de Gaston's house) and Election Day, November 6. Excluding calls of two minutes or less duration, there are 19 such calls. They are reflected in the following table:

Date	Call From	Call To	Time	Duration
10/17	OFC-HQ	Kinsel Res.	2:59 pm	9 minutes
10/18	Kinsel Res.	OFC-HQ	10:59 am	5 minutes
10/18	Murdock Cell.	OFC-HQ	4:57 pm	3 minutes
10/21	Murdock Cell.	Orton Res.	10:01 pm	3 minutes
10/21	Murdock Cell.	Orton Res.	11:57 pm	8 minutes
10/22	OFC-HQ	Kinsel Res.	4:04 pm	3 minutes
10/23	OFC-HQ	Kinsel Res.	9:03 am	6 minutes
10/23	Murdock Cell.	OFC-HQ	3:07 pm	3 minutes
10/24	OFC-HQ	Kinsel Res.	5:22 pm	5 minutes
10/25	Kinsel Res.	Orton Res.	7:55 am	3 minutes
10/25	Orton Cell.	Murdock Res.	8:42 am	18 minutes
10/25	Orton Cell.	Murdock Res.	8:59 am	7 minutes
10/25	Murdock Cell.	OFC-HQ	5:18 pm	5 minutes
11/2	OFC-HQ	Kinsel Res.	4:25 pm	5 minutes
11/2	Kinsel Res.	Orton Res.	8:03 pm	5 minutes
11/3	Kinsel Res.	Orton Res.	7:26 am	8 minutes
11/4	Kinsel Res.	Orton Res.	7:30 am	22 minutes
11/4	Kinsel Res.	Orton Res.	1:57 pm	7 minutes
11/4	Kinsel Res.	Orton Res.	10:14 pm	3 minutes.

Murdock and Kinsel were deposed prior to the time this Office obtained the telephone records; Orton was deposed after

9704383910

this Office had obtained the records. Murdock, whose cellular or residential telephone was involved in 7 of the 19 calls in the table (including two calls to Orton's residence and two calls received from Orton's cellular phone), testified that he may have had conversations with Orton during the period of Orton's candidacy, and that he could not recall any specific conversations, but that he was sure none of the conversations involved UEG. He also testified that he had not to his knowledge had any communication prior to the election with any member of Orton's campaign staff.[15]

Kinsel, whose residential telephone was involved in 12 of the 19 calls (including six calls to Orton's residence), testified that he communicated with Orton on three occasions after resigning from Orton's campaign on October 10. The first was when he dropped off at Orton's house the research projects he had promised in his resignation letter that he would complete. Kinsel testified that he did that within a few days, and probably not more than a week, after his resignation. The second was when he ran into Orton at the office of Peter Billings, Utah Democratic Party chair; Kinsel testified that he was "a little bit embarrassed running into" Orton, because "I knew I couldn't have

9704383091 1

---

15. Evidence was developed subsequent to the deposition that Murdock's father and possibly his sister-in-law who had previously dated Orton volunteered for Orton's campaign. Accordingly, Murdock's testimony probably should be construed to refer to any paid member of Orton's campaign staff. Even then, while Murdock may not have known to whom he was speaking, Spencer Taylor, who was a paid member of the campaign staff, said in a sworn statement that on several occasions during 1990 (but not necessarily after October 17) he took messages for Orton from Murdock after answering Orton's cellular phone.

any real association with him" if his efforts were to remain independent. Finally, Kinsel testified, he asked Orton "a couple of days before the election" whether it would be inappropriate for Kinsel to attend Orton's election night party, and Orton said it would be no problem. Kinsel testified he had no other communications with Orton of any sort between his resignation and Election Day. Kinsel testified that Orton for Congress staff or volunteers "may have called me on an issue question or something, but it was nothing to do with the effort with Snow . . . [i]t wouldn't have been substantial enough to remember."

Orton testified that he had no recollection of any of the conversations at issue. However, he testified that he had no knowledge of any connection between UEG and Kinsel, and that he never spoke with Murdock about any campaign issue.[16] Orton proffered several possible explanations for the calls. For instance, he testified that he had a number of discussions with Murdock's wife about an estate plan during 1990, that Murdock wanted him to look at a potential investment, and that friends from Oregon who were volunteering for his campaign were staying at his residence. In addition, Orton speculated that he or his campaign staff may have been in contact with Kinsel regarding issues Kinsel had worked on prior to leaving the campaign.

Another potential communication between Orton and UEG was a clipping of a newspaper article concerning retiring incumbent

---

16. Indeed, Orton testified that he had never communicated with Kinsel about his connection to UEG even after the election, notwithstanding that Kinsel joined his congressional staff after the election and served there for four years.

9704383091 2

Representative Howard Nielson's comments on the volley of charges traded between Snow and UEG. The clipping, a copy of which was produced by Schulzke, contains a handwritten notation reading, "Nielson is repeating and reaffirming Snow's allegations against NORTON & Murdock by stating, 'Everything he [Snow] said is true.' SLANDER & DEFAMATION Repeated" (capitalization in original). At the top of the clipping is a facsimile transmission line reading, "11/02/90 11:58 [phone symbol] [redacted]William H Orton."[17] Schulzke did not recall how he came into possession of the clipping, but testified that it was not faxed to him. Schulzke further testified that he and the other participants in UEG would occasionally go through stacks of newspaper clippings together, and that he would copy those he found interesting. Orton had no recollection of faxing the clipping to anyone, but averred that the handwriting on it could be his. He also testified that he recalled removing his facsimile machine from his home and placing it in his campaign headquarters.[18]

9704383091 3

---

17. Telephone billing records confirm that [redacted] was a line billed to Orton.

18. Orton also testified that he recalled no other facsimile machine at the campaign headquarters. However, a document obtained in the course of the investigation indicates that whatever fax machine was at the headquarters, its transmission line was not the same as the one on the clipping discussed in the main text. The document, produced by Daniel Darger, was a copy of Schulzke's first Student Review article that was apparently faxed the day after its publication. Although barely legible, the transmission line on the document appears to read [redacted]" Telephone records obtained later in the investigation indicate that in October 1990, [redacted] was an Orton for Congress telephone line.

In a comment after his deposition had been completed, Orton also noted that his facsimile machine can be used as a copier as

E. The Role of Daniel Darger

As noted, Salt Lake City attorney Daniel Darger was the brother of John Darger, the former president of Unique Battery, and was one source of information anonymously provided to the Harmer campaign about Snow's business ties. Daniel Darger was also part of an office-sharing arrangement that involved several attorneys, including William Orton. Darger testified that during the primary election campaign, he showed Orton a copy of a Global Oil-Unique Battery document containing Snow's signature. In a sworn statement, Orton campaign aide Spencer Taylor corroborated that Darger showed Orton copies of documents purportedly connecting Snow to Strand. Darger testified that "the essence of this conversation and the conversations all along after that were that Bill didn't want to get into a mudslinging thing, and didn't think it would be appropriate for him to use that stuff, but I was a free person, I could do whatever I wanted." Darger then provided some of the information anonymously to the Harmer campaign. In his sworn statement, Spencer Taylor said that Darger also provided copies of the documents to Orton's campaign, but that Orton told Taylor to do nothing with the documents.[19]

9704383091 4

(Footnote 18 continued from previous page)
well as a transmitter.

19. Like Darger, Orton testified that he and Darger had an initial conversation in which Darger mentioned in passing that Snow's financial background was questionable. However, Orton also testified that there was no time to his knowledge that Darger even communicated that he was in possesssion of the Global-Unique merger document (although he did not testify as to whether Darger had shown him any other Global-Unique documents). Orton testified that he became familiar with the merger document after reading it in court files.

After Harmer lost the primary election, Darger continued to attempt to gather more information about Snow and Strand. As noted supra, Darger was in possession of a copy of Schulzke's first Student Review article that was apparently transmitted by facsimile from Orton for Congress on October 4. Beginning around October 12, Darger contacted Jack Hyatt, a friend who was the former director of the Utah Securities Division, and other securities officials in an attempt to find out more about Strand's background. An entry in Darger's phone log for October 16 reads, "Pc/Bill [-] is person willing to make public comment about Bramble Report."[20] Darger testified that he assumed the "Bill" in his phone log entry referred to Orton. Underneath the entry is a note that reads, "Gather info and ship to Royce." Darger testified that he did gather some information and shipped it to Royce Griffin, a member of Hyatt's staff. However, he did not recall whether he had discussed with Orton the idea of gathering information and shipping it to Royce Griffin.

Darger's phone log reflects that he had communications with Sheldon Kinsel on October 19 and with Kenneth Murdock on October 25. Darger recalled that Murdock was aware of his interest in "stirring up" the issue of Snow's business ties. He also testified that he did not recall discussing with Kinsel his shipment to Royce Griffin, "but it looks like I talked with him the day after . . . so I would say there's a darn good chance I

---

20. The "Bramble Report" was an examination of Snow's connection to the Global-Unique deal conducted at Snow's request by Provo accountant Curtis Bramble.

9704383091 5

could have." Scott Norton's date planner entry for October 25 contains Royce Griffin's name.[21]

F. Winding Down of UEG

UEG filed a Statement of Organization with the Commission on November 14, 1990. Norton was listed as treasurer. UEG filed its sole report of receipts and expenditures on November 23, 1990. Norton testified that he did not agree that he had to file, but that when a local reporter raised the issue after the election he filed "under duress" and to "cover myself."[22] Accordingly, he testified, he had to reconstruct UEG's financial activity in order to complete the report of receipts and expenditures.

The report lists in-kind contributions of $1,000 and $800, respectively, on November 5, 1990 from Sherman and Jayson Fugal for "In-kind: KSL ad advert cost." Sherman and Jayson Fugal are identified in the report as account executives of Peggy Fugal Advertising. The report also lists expenditures of $1,300 to KSL Radio for "radio spots" and of $500 to Peggy Fugal Advertising for "production-radio, production-print, telephone and fax", both on November 5, 1990 Norton testified that he had essentially no recollection of financial transactions between UEG and Peggy Fugal

9704383091 6

---

21. This does not necessarily mean Norton entered Royce Griffin's name in his date planner on October 25. Norton testified that he would occasionally use unused space in his date planner for notes.

22. In cover letters accompanying the Statement of Organization and the Report of Receipts and Expenditures, Norton wrote that UEG had earlier checked with the Utah Lieutenant Governor's office, which has responsibility for administering campaign finance reporting under Utah law, and had been informed UEG did not need to file with the Commission.

Advertising.

Sherman Fugal is Peggy Fugal's husband and Jayson Fugal is her son. Peggy Fugal Advertising was a "dba" for Fugal & Fugal, Inc., a corporation owned by Sherman and Peggy Fugal. Fugal recalled the transactions in the following testimony:

> I don't remember . . . [but] [i]t looks to me the bill was $3,600 and I [donated] half of it and they paid me for half of it. And it was [donated] in the name of my husband and son who were employees of the ad agency. That was a standard practice with me in my whole ad agency career is I always discounted political bills 50 percent.
>
> Q. Why was that?
>
> A. They never had the money.
>
> Q. Did you discount nonpolitical bills?
>
> A. Never.
>
> * * *
>
> Q. . . . You had said earlier that you viewed it as sort of a conflict of interest for you to be involved with any client, especially a political client.[23] Would that be why the in-kind contributions would have been listed in your husband's name and your son's name rather than your name?
>
> A. Yes. Furthermore my husband and son didn't work on the campaign. My son was an errand boy and my husband is my bookkeeper so they never work on creative things. They were also opposed to Karl Snow and also in favor of what UEG was doing and wanted to contribute to them.
>
> Q. The report of UEG indicates that Sherman Fugal and Jayson Fugal were listed as account executive. Were they in fact not account executives?
>
> A. Well, account executive is a misrepresentation. Jayson was an 18 year old errand boy and Sherman has never done anything for my business other than book work

---

23. Fugal strongly opposed Snow's candidacy, and had run her own full-page display advertisement in the Provo Daily Herald in opposition to his candidacy.

9704383091 7

> . . . The more appropriate title would be assistant, but I didn't fill out this form so I didn't make up that term. He did.

III. LEGAL ANALYSIS

A. Applicable Law

The Federal Election Campaign Act of 1971, as amended, (hereinafter, "the Act") defines an "independent expenditure" as

> an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate or agent of such candidate.

2 U.S.C. § 431(17). The Act sets no limit on the amount of money persons may spend on independent expenditures. See Buckley v. Valeo, 424 U.S. 1, 51 (1976) (limitation on independent expenditures unconstitutional).

However, any expenditure "made by any person in cooperation, consultation, or concert, with, or at the request or suggestion of, a candidate, his authorized political committees, or their agents, shall be considered to be a contribution," rather than an independent expenditure. 2 U.S.C. § 441a(a)(7)(B)(i). The Act does limit the amount of contributions individuals and groups may make. The Act provides that no person, other than a multicandidate political committee, shall make contributions "to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000." 2 U.S.C. § 441a(a)(1)(A).

The Commission's regulations define "made with the cooperation or with the prior consent of, or in consultation with,

9704383091 8

or at the request or suggestion of, a candidate" to mean any arrangement, coordination, or direction by the candidate or his or her agent prior to the publication, distribution, display or broadcast of the communication at issue. 11 C.F.R. § 109.1(b)(4)(i). The Commission's regulations further provide that an expenditure will be presumed to be so made when it is "based on information about the candidate's plans, projects or needs provided to the expending person by the candidate, or by the candidate's agents, with a view toward having an expenditure made," 11 C.F.R. § 109.1(b)(4)(i)(A), or when it is "made by or through any person who is, or has been, authorized to raise or expend funds, who is, or has been, an officer of an authorized committee, or who is, or has been, receiving any form of compensation or reimbursement from the candidate, the candidate's committee or agent." 11 C.F.R. § 109.1(b)(4)(i)(B).

The Act also defines a "political committee" as any committee, club, association, or other group of persons which receives contributions or makes expenditures aggregating in excess of $1,000 during a calendar year. 2 U.S.C. § 431(4). Under the Act, all political committees must file a statement of organization with the Commission within ten days after becoming a political committee and thereafter must make reports to the Commission on a scheduled basis disclosing all contributions received and expenditures made. 2 U.S.C. §§ 433 and 434.

Pursuant to 2 U.S.C. § 441d(a), whenever a person makes an expenditure for a communication through general public political advertising that expressly advocates the election or defeat of a

9704383091 9

clearly identified candidate, the communication must state who paid for the communication and, if not paid for by a candidate or an authorized candidate committee, must state whether the communication was or was not authorized by such candidate or candidate's committee.

The Act prohibits contributions or expenditures in connection with Federal elections by any corporation whatever, and makes it unlawful for any person to knowingly accept or receive such a contribution. 2 U.S.C. § 441b(a). Finally, 2 U.S.C. § 441f provides that no person shall make a contribution in the name of another or knowingly accept a contribution made by one person in the name of another.

B. Coordination Impairing the Independence of Expenditures

There is ample circumstantial evidence that Orton or persons associated with Orton for Congress discussed plans, projects or activities with members of UEG. As noted, telephone billing records show at least 19 telephone conversations between Kinsel's residence or Murdock's residence or cellular phone, on the one hand, and Orton's residence, his cellular phone, or Orton for Congress headquarters, on the other, in the 21 days between October 17 and election day. It bears noting that of the 19 calls, two were made the day before UEG's October 24 press conference, one was made the day of the press conference, and four the day after, including 25 minutes of conversation between Orton's cellular phone and Murdock's residence the morning after the press conference. See supra at 16 (table). It further bears noting that a number of the calls were made to Murdock's residence

9704383092O

or from his cellular phone during a period when Murdock testified he was devoting substantially all of his time to UEG. Supra at 13. Moreover, on the Friday, Saturday and Sunday prior to the election -- a period just before and including the first of UEG's "last-minute" advertisements -- there were five calls from Kinsel's residence to Orton's residence and an additional call from Orton for Congress headquarters to Kinsel's residence, lasting a total of 50 minutes. This would seem to be a great deal of activity simply to determine whether it would be appropriate for Kinsel to attend Orton's election night party, as Kinsel testified. See supra at 17-18.

In addition, the "SLANDER and DEFAMATION Repeated" facsimile indicates likely coordination. The apparent facsimile includes a transmission line indicating it was sent or photocopied by Orton's facsimile machine and a handwritten note concerning the possibility of slander and defamation against Norton and Murdock. Orton acknowledged that the note could be his handwriting. Supra at 19. Finally, the facsimile was produced to this Office by Schulzke, and while Schulzke could not recall how he obtained it, there is no evidence in the record of any other source from which he could have obtained it other than the other members of UEG.

Finally, the combination of Daniel Darger's communication with Orton on October 16, the note he made on his phone log regarding Royce Griffin immediately underneath that regarding the communication with Orton, his communications with Kinsel three days later and with Murdock nine days later, and the subsequent appearance of Griffin's name in Norton's date book indicate the

9704383092 1

possibility of indirect coordination between Orton and UEG involving Darger as a middleman. Supra at 19-21.

Taken separately, the facsimile message, the evidence regarding common contacts with Darger, or any one of the telephone conversations might not be conclusive evidence of coordination. However, the facsimile and the Darger evidence in combination with the number, timing, and duration of the telephone calls demonstrate that there were multiple communications during which Orton, or persons associated with him or his committee, could have coordinated or consulted with participants in UEG. Given the number of calls and discussions and the importance of the activity to the participants there is probable cause to believe that coordination took place.

Moreover, and as noted, OFC disclosure reports indicated that Kinsel received a $350 payment for "consulting" on October 8, two days prior to his resignation from the campaign. Accordingly, Kinsel was a "person who ha[d] been receiving compensation or reimbursement . . . from the candidate's committee," and any expenditure made "by or through" him is presumed to have been coordinated. 11 C.F.R. § 109.1(b)(4)(i)(B). Kinsel came to UEG after having advised Orton on issues and prepared him for debates for two months. He had extensive knowledge of what kind of campaign Orton wished to, and did, conduct with respect to debates, issues, what information to use and not use about potential opponents, and internal organization.

At a minimum, expenditures for the press conference and the newspaper insert can be considered to have partially been made

9704383092 2

"through" Kinsel because of his involvement in UEG's creative and strategic process for each. Supra at 14. Additionally, although his recollection was not as sharp with respect to the newspaper and radio advertisements on the weekend prior to the election, Kinsel testified that he "probably" advised the group on the advertisements. Under Section 109.1(b)(4)(i)(B), UEG's expenditures are therefore presumed to have been coordinated.

Even Norton's activity was, from the outset, coordinated so as to impair the independence of any expenditures with which he became associated. Orton told Norton personally that he did not wish to use the issue of Snow's business ties in the campaign, thus giving Norton a sense of what kind of campaign Orton wished to conduct.[24] Norton testified that he would not have engaged in the course of action he took had Orton's answer been different; as he put it, "My itch [would have been] scratched". Supra at 6. If Norton was the founder and driving force behind UEG, UEG was based on information about the campaign imparted tc Norton by Orton. Accordingly, UEG was coordinated with Orton's campaign from its inception.[25]

9704383092 3

---

24. Of course, the sense of the campaign Orton imparted to Norton was somewhat different than that he imparted to Kinsel, whose impression was that Orton had pragmatic as well as principled reasons for not personally raising the issue of Snow's finances, or that he imparted to Schulzke, to whom Orton apparently explained how, in Orton's view, Snow had potentially committed tax fraud. See supra at 7, 9-10 & n. 11.

25. See MUR 1272 (where purportedly independent expenditure was based in part on knowledge of, and disagreement with, official campaign strategy, coordination occurred); MUR 872 ("substantial, almost violent disagreement" about campaign strategy between campaign manager and person who formed unauthorized committee was one factor relied on to support finding of coordination). Cf. MUR

For the reasons stated, this Office concludes that the activities of UEG were conducted in cooperation, coordination, or consultation with William Orton or Orton for Congress. Consequently, under 2 U.S.C. § 431(17), expenditures for those activities were not independent, and under 2 U.S.C. § 441a(a)(7)(B), they were in-kind contributions to Orton for Congress. The total amount of the expenditures was, as noted, $11,452.68, or $10,452.68 in excess of the amount UEG, as a single-candidate committee, was permitted to contribute. Accordingly, there is probable cause to believe that Utahns for Ethical Government and Scott Lee Norton, as treasurer, violated 2 U.S.C. § 441a(a)(1)(A).

C. Corporate Contributions and Contributions in the Name of Another

As noted supra, UEG's disclosure report shows receipt of $1,800 in in-kind contributions from Sherman and Jayson Fugal on November 5, 1990, in connection with UEG's radio advertisement of the same date. However, Peggy Fugal testified that Sherman and Jayson Fugal could not have made any in-kind contributions in connection with the radio advertisement because they did no creative work for Peggy Fugal Advertising. Supra at 23. She further testified that the work, done by Peggy Fugal Advertising,

9704383092 4

(Footnote 25 continued from previous page)
2817 (coordination occurred where a county party chairman, having been informed by state officials of a presidential general election campaign and state party officials that the county party could not legally place newspaper ads on the candidate's behalf, placed the ads using his own money).

was "donated"[26] in their names. Supra at 22. Peggy Fugal Advertising was a "dba" name of Fugal & Fugal, Inc. Peggy Fugal thus testified that at least a portion of the work done by Peggy Fugal Advertising on behalf of UEG was an in-kind contribution to UEG, and that it was made in the names of Sherman and Jayson Fugal. Accordingly, there is probable cause to believe that Utahns for Ethical Government and Scott Lee Norton, as treasurer, violated 2 U.S.C. §§ 441b(a) and 441f.

D. Registration and Reporting Violations

UEG's disclosure report indicates that it became a political committee by exceeding $1,000 in expenditures on October 26, 1990. See 2 U.S.C. § 431(4). Its Statement of Organization was not filed until November 14, 1990, or 19 days later, nine days after the 10-day window provided in 2 U.S.C. § 433(a). Accordingly, there is probable cause to believe that Utahns for Ethical Government and Scott Lee Norton, as treasurer, violated 2 U.S.C. § 433(a).

UEG's Report of Receipts and Expenditures was deficient in two respects. First, 2 U.S.C. § 434(b)(3)(A) provides that reports shall include the identification of each person who makes a contribution to the reporting committee during the reporting period, whose contributions have an aggregate amount or value in excess of $200 within the calendar year. As noted, UEG's report identified $1,800 in in-kind contributions as coming from Sherman

---

26. The transcript says "denoted." Although Fugal has apparently not yet reviewed, corrected, or signed the transcript, the best recollection of staff of this Office is that she said "donated."

9704383092 5

and Jayson Fugal when in fact they came from Peggy Fugal Advertising. Second, 2 U.S.C. § 434(b)(6)(B)(i) provides that committees such as UEG must report the name and address of each political committee which has received a contribution from the reporting committee during the reporting period, together with the date and amount of any such contribution. Given the conclusion above that all of UEG's expenditures were in-kind contributions to Orton for Congress, they should have been reported as such instead of as independent expenditures. Accordingly, there is probable cause to believe that Utahns for Ethical Government and Scott Lee Norton, as treasurer, violated 2 U.S.C. § 434(b).

E. Disclaimer Violations

As noted, the insert, the newspaper display advertisements, and the radio advertisement all carried disclaimers. However, none of the disclaimers stated whether the communications were authorized by any candidate or candidate's committee. Accordingly, there is probable cause to believe that Utahns for Ethical Government and Scott Lee Norton, as treasurer, violated 2 U.S.C. § 441d(a).

IV. GENERAL COUNSEL'S RECOMMENDATION

Find probable cause to believe that Utahns for Ethical Government and Scott Lee Norton, as treasurer, violated 2 U.S.C §§ 433(a), 434(b), 441a(a)(1)(A), 441b(a), 441d(a), and 441f.

7/12/95
Date

Lawrence M. Noble
General Counsel

9704383092 6

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

July 19, 1995

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. B. Holly Schadler, Esq.
Mr. John Devaney, Esq.
Perkins Coie
607 Fourteenth Street, N.W.
Washington, D.C. 20005-2011

RE: MUR 3192
William Orton
Orton for Congress and
Jennifer Wilson, as treasurer

Dear Ms. Schadler and Mr. Devaney:

Based on a complaint filed with the Federal Election Commission on November 29, 1990, and information supplied by your clients, William Orton and Orton for Congress and its treasurer, and others, the Commission, on October 20, 1992 and December 13, 1994, found that there was reason to believe your clients, William Orton and Orton for Congress and its treasurer violated 2 U.S.C. § 441a(f) and that Orton for Congress and its treasurer violated 2 U.S.C. § 434(b), and instituted an investigation of this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that violations have occurred.

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (ten copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

9704433309927

If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90 days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact Lawrence L. Calvert Jr., the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Brief

9704383092 8

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

William H. Orton Orton for Congress and Jennifer Wilson, as treasurer	MUR 3192

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

On December 13, 1994, the Commission found reason to believe that Wiliam Orton and Orton for Congress and Jennifer Wilson, as treasurer, violated 2 U.S.C. § 441a(f), and that Orton for Congress and Jennifer Wilson, as treasurer, violated 2 U.S.C. § 434(b).[1] The Office of the General Counsel conducted an investigation. See 2 U.S.C. § 437g(a)(2). This brief is the result of that investigation.

II. FACTS

A. Background: Setting the Stage

A political committee known as Utahns for Ethical Government ("UEG") reported to the Commission that, in the 1990 general election for United States Representative from the Third

1. The Commission had made similar findings on October 20, 1992. The December, 1994 findings were made consistent with the Commission's practice following FEC v. NRA Political Victory Fund, 6 F.3d 821 (D.C. Cir. 1993), petition for cert. dismissed for lack of jurisdiction, 115 S. Ct. 537 (1994).

At the time of the events described herein, Spencer E. Taylor was the treasurer of Orton for Congress. At the time of the original reason to believe findings, Steven Schone was treasurer of Orton for Congress. Schone, as treasurer, was named as a respondent in those findings.

97043830929

Congressional District of Utah, it made $11,452.68 in independent expenditures in opposition to Karl Snow, who was Orton's opponent in that election. This matter principally involves allegations that the expenditures reported by UEG as independent were in fact made in cooperation, consultation or coordination with Orton or Orton for Congress. In order to place this matter in context, it is necessary first to examine the facts and allegations that eventually gave rise to charges UEG made about Snow and to examine the bitterly contested Republican primary election in the Third District in 1990.

1. Michael Strand and Karl Snow

In the 1970s and 1980s, Utah developed a reputation as a center of fraud in the sale of so-called "penny" stocks. See Lynn Packer, The Phantom of Fraud: Why Is Utah Its Favorite Haunt? ("Packer"), Utah Holiday, Oct. 1990, at 25. Michael Strand was apparently a practitioner of such schemes. At the time of the 1990 election, Strand had twice been convicted of Federal crimes related to penny stock transactions. See United States v. Varah, 972 F.2d 357 (table) (10th Cir. 1992), available on WESTLAW at 1992 WL 186530 (affirming 1987 mail fraud convictions of Strand and associates); Strand v. United States, 675 F. Supp. 1283 (D. Utah 1987), aff'd., 865 F.2d 267 (table) (10th Cir. 1988) (denying petition for Writ of Error Coram Nobis in connection with Strand's 1978 convictions for securities fraud and tax evasion).

One tactic apparently employed by penny stock manipulators such as Strand was the use of locally prominent political and other community leaders -- who sometimes would have no knowledge

9704383093 0

of the manipulators' fraudulent intent -- to attract investors. See Packer at 27 (church leaders), 34-35 (political leaders). For a period in the 1980s, Karl Snow allegedly assisted in the promotion of at least one stock deal engineered by Michael Strand. Snow was an official of Brigham Young University in Provo, Utah, and a leader in the Utah State Senate. He had also been an unsuccessful candidate for the Republican nomination for Governor of Utah in 1984.

Around 1985, John Darger, then president of a company called Unique Battery Systems, Inc., was encouraged to merge the company with a corporation controlled by Strand known as Global Oil Company. Snow was assertedly one of the persons who encouraged John Darger to enter into the transaction. Snow also assertedly encouraged other investors to buy stock in one or the other of the corporations in anticipation of the merger. However, the proposed merger apparently was never consummated, and John Darger and the other investors lost substantial amounts of money. Although the Global/Unique deal was not one of the transactions for which Strand was criminally prosecuted, private litigation ensued.

9704383093 1

2. The 1990 Republican Primary

In 1990, Snow was a candidate for the Republican nomination for United States Representative from the Third Congressional District of Utah. The other candidate remaining in the race after the Utah Republican Convention was John Harmer. Harmer, who had served briefly in 1974 as Lieutenant Governor of California after being appointed by Ronald Reagan to fill a vacancy, was perceived by some as a charismatic, conservative outsider. By contrast,

Snow was perceived by some as the candidate of Utah's Republican establishment. See generally Dave Kaplan, Dominant Republicans in 3rd Not One Big Happy Family, 49 Cong. Q. Wkly Rpt. 2344 (1990). Victory in the Republican primary was apparently considered "almost a guarantee of success in November." Id.[2]

In the course of the primary election campaign, Snow and Harmer traded allegations of personal financial improprieties. Snow made an issue of a bankruptcy and other bad debts by Harmer. At about that time, the Harmer campaign began to receive anonymously provided information concerning Snow's business associations with Michael Strand. At least one source of this information was Salt Lake City attorney Daniel Darger, the brother of John Darger. Eric Schulzke, who was a cousin of Harmer's and a volunteer on his campaign, testified that there may have been other sources of the information. Harmer apparently brought the information's existence to the public's attention. However, according to one witness, the information became public too late in the primary campaign to have much effect.

On September 11, 1990, Snow defeated Harmer in the Republican primary. William Orton was unopposed for the

9704383093 2

2. In statements on and off the record, several witnesses confirmed that the conventional political wisdom in Utah prior to Orton's 1990 election was that no Democrat could be elected in the Third District. See infra n. 4. Congressional Quarterly noted that in the presidential elections of 1976, 1980, 1984, and 1988, the Democratic nominee had never received more than 30 percent of the district's vote. Kaplan, supra, at 2344.

Democratic nomination.[3]

B. Formation of UEG

1. Scott Norton

Scott Norton was, in 1990, the co-owner of a family grocery business in Pleasant Grove, Utah. Between about 1983 and his marriage in 1985, Norton attended a church "singles" ward, or congregation, of which Orton was an official. Norton described his relationship with Orton during that period as casual. Norton could not "recall a single instance" between 1985 and 1990 in which he and Orton "had any communication at all"; Orton recalled seeing Norton on occasion but no more than a handful of times between 1985 and early in 1990. After Orton became a candidate for Congress in 1990, he approached Norton at Norton's store and asked for a campaign contribution, but Norton declined.[4]

Norton testified that he had no connection to the campaign of either candidate in the Republican primary election, but his sympathies had "leaned toward Harmer." Roughly three weeks after the September 11, 1990 primary election, Norton was reading a copy of the Student Review over lunch.[5] In that issue of the Review

9704383093 3

---

3. Although unopposed for the Democratic nomination, Orton engaged in a series of debates during the primary campaign with Republican hopeful Harmer. Orton testified that on primary election night, he stopped by Harmer's house to express condolences.

4. Norton testified that he declined because he "didn't feel like throwing money away on a Democratic candidate" because "We don't have Democrats in this county."

5. The Student Review was an "alternative newspaper" staffed by students of Brigham Young University in Provo, Utah. It was not connected to the university. It was distributed throughout Provo and Orem, Utah.

was an article over the by-line of Review publisher Eric Schulzke, the former Harmer campaign volunteer, concerning Snow's business ties to Strand. After Harmer lost the primary election, Schulzke had retained possession of the documents provided to the Harmer campaign about Snow's business ties, and determined to keep the issue alive by writing about them in the Review.

Norton testified that the article "took the details of Snow's activities and showed where he lied, just lied and got away with it." This upset Norton. Shortly thereafter, Norton attended a birthday party for Orton along with other former members of the singles ward.[6] Norton testified that the Review article was "on my mind at the party," and he encouraged Orton to make an issue of Snow's business ties. According to Norton's testimony, Orton was "very forceful" in explaining that he would not do so, and that anyone associated with his staff who did so would be fired.

In the course of Norton's deposition, he was asked whether he would have followed a different course of action had Orton indicated a desire to pursue the issue of Snow's business ties. Norton replied, "Yes. I wouldn't have become involved because my itch is scratched. I wouldn't have -- I could go back to being a spectator."

9704383093 4

---

6. Norton testified that he attended the birthday party after reading the Review article, which was dated October 3. Orton testified that the birthday party was held in September, and, as a matter of public record, Orton's birthday is September 22. However, given Norton's strong recollection that he was originally motivated by reading the Review article, and given that Norton had by October 10 begun taking the steps that resulted in the formation of UEG, see infra at 8, it appears possible that the birthday party occurred between October 3 and October 9.

2. Sheldon Kinsel

Sheldon Kinsel had worked for the Orton campaign as a volunteer or consultant since about mid-August, 1990.[7] His duties included research and preparation of memoranda about issues, and about the positions of Orton's potential Republican opponents; he also assisted Orton with preparation for debates. On several occasions, Kinsel attempted to persuade Orton to make an issue of Snow's business ties to Strand. As with Norton, Orton told Kinsel that he would not do so, and that no person associated with his campaign would be allowed to do so.

However, where Norton had heard only a flat refusal on Orton's part to become involved with the issue, Kinsel had a different perspective after two months of volunteering and consulting for Orton's campaign. Kinsel testified that, in his impression, Orton's reasons for refusing to use Snow's business ties were pragmatic as well as principled. He testified that because Utahns held their elected officials to a "higher standard," so-called "negative campaigning" did not work as well in Utah as in other parts of the country, and that Orton risked voter backlash if he attempted to capitalize on Snow's ties to Strand. On the other hand, he testified, that same "higher standard" gave the simple fact that Snow was an associate of Strand greater impact in light of Snow's position at Brigham Young University, which is affiliated with the Church of Jesus Christ of

---

7. Although Orton described him, and he described himself, as a volunteer, Orton for Congress disclosure reports on file with the Commission indicate that Kinsel received one consulting fee of $350 on October 8.

9704383093 5

Latter-Day Saints.

Because Orton refused to raise the issue, Kinsel formally resigned from Orton's campaign by letter dated October 10. Kinsel testified that his intention in resigning was to pursue unauthorized campaign activity regarding Snow's business ties.[8]

3. Eric Schulzke

On or about October 10, after Norton learned of Orton's refusal to make an issue of Snow's ties to Strand, Norton called Schulzke, whom Norton testified he did not previously know. Norton testified that at this point, his idea was to reprint Schulzke's October 3 article in the Student Review as a newspaper advertisement. Norton testified that he asked Schulzke if Schulzke would like to put his article before a wider audience. By Norton's recollection, Schulzke was agreeable, but told Norton that another article was coming out in the October 10 Student Review. Norton apparently had vacation plans for the weekend of October 12-14, so the two agreed to talk again after Norton returned.

At around the same time -- not later than October 11, or the day after he left Orton's campaign, according to telephone records

9704380936

8. Spencer Taylor, who was treasurer and co-campaign manager of Orton for Congress, submitted a sworn statement containing a different account. According to Taylor, Kinsel violated Orton's rule against campaign staff publicly bringing up Snow's business ties and was asked to leave the campaign. On the other hand, Orton's testimony concerning Kinsel's departure generally supported Kinsel's version.

-- Sheldon Kinsel also called Eric Schulzke.[9] Probably the same day, Kinsel met with Schulzke, and, like Norton, indicated an interest in Schulzke's articles. Kinsel apparently suggested that Schulzke meet with Orton, who was a tax attorney, concerning the tax consequences of Snow's participation in the Global Oil - Unique Battery deal.

On or about October 12, Schulzke had such a meeting with Orton.[10] Schulzke testified that Orton demonstrated an intimate familiarity with the Global Oil-Unique Battery merger agreement, and explained in detail how Snow's signature on the document might have led to certain tax consequences for Snow. Schulzke further testified that the conversation formed the basis for his third and final article in the Student Review about Snow's business ties, and that Orton obtained a draft of Schulzke's article and made comments about it before it was published. The article was entitled, "Karl Snow's Signature Raises Questions of Tax Fraud." Orton did not recall this meeting specifically, but acknowledged

9704383093537

---

9. Telephone records indicate that Kinsel called Schulzke at home at 8:42 a.m. October 11, then called the offices of the Student Review at 8:43 a.m. and had a four minute conversation.

10. It would appear the meeting took place on or about October 12 based on the following: first, the meeting had to have occurred after Schulzke's meeting with Kinsel on or about October 11, because Schulzke testified there was no other way he could have been connected with Orton. Second, the third Student Review article, which was based on Orton's comments during the meeting, was published October 17. Schulzke testified that articles had to go to press no later than Mondays in order to appear in the Review, a weekly publication, on Wednesdays. This means there had to be time, as discussed infra, for Schulzke to draft the article, for Orton to obtain a copy, comment on it, and for Schulzke to finalize the draft prior to the close of business October 15. Accordingly, this Office concludes the Orton-Schulzke meeting took place on or about October 12.

that it may have taken place, and that he had similar conversations off the record with other members of the news media.[11]

By Monday, October 15, Norton had returned from his vacation, and he met with Schulzke and probably Kinsel that afternoon at the Provo City Center. Reprinting of the Review articles was discussed, as was the possibility of a full-page newspaper advertisement; however, it appeared that a full-page ad in one of the Salt Lake City newspapers would be prohibitively expensive. One of the three apparently had information that there was to be a meeting of like-minded persons, including some former volunteers on the Harmer campaign and at least one investor who lost money in the Global-Unique deal, the next evening at the home of Jacqueline de Gaston.

9704383093 8

---

11. Orton testified that he may have had similar off-the-record conversations with Rod Decker, political reporter for Channel 2 in Salt Lake City, with the editor of the Provo Daily Herald, and with a reporter for the Deseret News of Salt Lake City. In the conversations, Orton testified, he explained how, "if you are signing a document like [the Global-Unique merger agreement], and you did not own stock in Unique Battery, and you were not getting stock in Global Oil but you are signing it fraudulently saying you did, then that is tax fraud." Orton's full explanation of what he told members of the media about the transactions, which runs for nearly two pages of uninterrupted deposition transcript, is similar to portions of Schulzke's third Student Review article.

However, Orton testified, he told at least the editor of the Herald that he did not think Snow was a knowing participant but may have been "duped", and that he only made the off-the-record comments because he wanted the media to "finish that thing [the issue of Snow's business ties]" so they could move on to covering policy issues.

Contrary to Schulzke's testimony, Orton testified that he did not possess a draft of the October 17 article prior to its publication.

4. Kenneth Murdock

At the October 16 meeting at de Gaston's house, Norton, Schulzke and Kinsel joined with Kenneth Murdock, who would become the fourth principal actor in UEG.[12] Murdock was a Utah County businessman who had been acquainted with Orton since the early 1980s, when Orton had dated his wife's sister. Orton was tax counsel to Murdock's business from "about 1986" until his election to Congress. Murdock testified that he and his family would occasionally socialize with Orton.

While neither Norton, Kinsel, Schulzke nor Murdock had a complete recollection of the meeting at de Gaston's house, their combined testimony indicates that all four attended the meeting; that all four left the meeting early because because of a difference of opinion with de Gaston and other former Harmer volunteers; and that all four caucused about what to do next, apparently in somebody's car, after leaving the meeting. By this point, on the evening of October 16, 1990, all of the principal players in UEG had joined.

9704383093 9

C. Activities of UEG and Roles of the Participants

UEG's expenditures primarily related to five communications. First, on October 24, 1990, UEG held a press conference in Salt Lake City in which John Darger and two other investors recounted their losses in the Global Oil-Unique Battery deal and why they

---

12. Telephone records indicate that several days earlier, on Friday, October 12, Kinsel called Murdock's home and spoke for 12 minutes; called his business at 8:55 a.m. and was connected for one minute; and called Murdock's home again at 8:57 a.m. and spoke for five minutes.

blamed Karl Snow for those losses. Second, on or about October 30, UEG distributed a paid insert through the Provo Daily Herald and 18 community newspapers in the Third District. The insert reprinted, with minor modifications, the second and third of Schulzke's articles about Snow that had originally appeared in the Student Review; the inside pages of the insert were largely a reproduction of the article, "Karl Snow's Signature Raises Questions of Tax Fraud", for which Orton had provided off-the-record commentary to Schulzke. The disclaimer at the bottom of the insert's back page read, "This publication is the product of Utahns for Ethical Government, a non-partisan, independent, citizen group. UEG hopes the voters will seriously consider their selection at the polls November 6th. We invite your comments and questions. Write UEG, P.O. Box 66, Provo, UT 84603." The disclaimer did not state whether the insert was authorized by any candidate or candidate's committee.

The third and fourth communications were two full-page display advertisements urging "Don't Vote for Snow" and "Get Out and Vote Against Snow" that ran in the Provo Daily Herald on Sunday, November 4 and Monday, November 5, 1990, respectively. The disclaimer on each advertisement reads "Paid for by Utahns for Ethical Government" but does not state whether the advertisement was authorized by any candidate or candidate's committee.

Finally, UEG aired a 60-second radio advertisement on station KSL in Salt Lake City several times on Monday, November 5, the day before the election. The script of the advertisement urges listeners to "Stop the Republican Snow Job" and to "Get out and

9704383094 0

vote against Karl Snow tomorrow. And return ethics to government." The script includes a disclaimer that says, "Ad paid for by Utahns for Ethical Government," but the disclaimer does not state whether the advertisement was authorized by any candidate or candidate's committee.

Each of the four main participants in UEG took an active role in the preparation and dissemination of at least some of the above-noted communications. Norton was apparently the group's leader and spokesperson. He had final approval over any material that, as spokesperson, he was to release to the press or public. He testified he was highly involved with the production of the the newspaper insert. He also apparently ordered, and had copy and design approval over, the newspaper display advertisements and the radio advertisement.

Murdock was also, by his own account, heavily involved with UEG. In fact, Murdock testified that his involvement with UEG took up substantially all of his time from the time the group started until election day, and that he was so busy he "barely showered during that three week period." He was particularly involved in arranging for the printing of the insert, and his wife and the husband of his wife's aerobics instructor conducted most of the actual delivery of the inserts to newspapers. He participated in brainstorming sessions "about what information we had, what we needed to have and how we needed to present it."

Schulzke and Kinsel apparently were not as involved in UEG as Norton and Murdock. Nonetheless, both played significant roles in the group. Schulzke also participated in brainstorming sessions

9704383094 1

regarding the press conference, and described himself as "pretty pivotal on the insert. I had done all of these documents. I had collected a lot of these quotations. The guy who did the layout on the computer was my friend. He did it partly for fun, but partly because I asked him to. And I had a lot to do with composing the introductory text and stuff." However, the writing, production and placement of the newspaper display advertisements and the radio advertisement were done after Schulzke had ceased most of his active involvement with UEG.

Kinsel also played a significant role in UEG. He offered general advice about strategy and logistics, and testified that he "helped review and edit and rewrite the insert that was put together." In particular, he remembered "pushing for larger headlines [in the insert], something that people would just look at and get the gist of it and not have to read through it," even though Murdock wanted more detail.[13] On one occasion, Kinsel testified, he caught a factual error in a statement UEG was about to hand out to the press, and called Norton on a mobile phone to warn him not to hand out the statement. He also testified that he remembered delivering printed inserts to a local newspaper near his home in Wasatch County, Utah. It also appears that Kinsel brought political knowledge to the group; Norton testified that "what Sheldon knew was[,] he knew this guy . . . Karl Snow's

9704383094 2

---

13. As it turned out, the insert contained both. On the insert's front page is a large headline reading, "Is Karl Snow Telling You the Truth?", followed by a series of quotations from Snow and others involving the nature of Snow's relationship with Strand. The inside and back pages, as noted, were primarily reprints of the second and third Student Review articles.

campaign manager, watch out for him, he's vicious . . . Sheldon . . . knew the players and I didn't know the players . . . he would help me identify who was really asking the questions behind the reporters and why."[14]

D. Potential Communications Between UEG Participants and Orton or Orton for Congress Staff

A review of cellular and long distance telephone billing records reveals that there were numerous calls placed between Kinsel's residence or Murdock's residence or cellular phone on the one hand, and Orton's residence or cellular phone or Orton for Congress headquarters on the other, between October 17 (the day after the meeting at de Gaston's house) and Election Day, November 6. Excluding calls of two minutes or less duration, there are 19 such calls. They are reflected in the following table:

Date	Call From	Call To	Time	Duration
10/17	OFC-HQ	Kinsel Res.	2:59 pm	9 minutes
10/18	Kinsel Res.	OFC-HQ	10:59 am	5 minutes
10/18	Murdock Cell.	OFC-HQ	4:57 pm	3 minutes

9704383094 3

14. Murdock asserted that "by us [Kinsel] was not considered part of UEG" because "his only contact with us was occasional and he didn't do any of the work." Moreover, Norton testified that Kinsel was "not materially involved," and Kinsel testified that he "wasn't pivotal." However, while Kinsel may not have had as important a role as Murdock or Norton, Norton's own testimony, as well as Kinsel's, belie any notion that Kinsel was "not materially involved." Indeed, Schulzke testified that during the process of working on the insert's layout, Kinsel was present more than Murdock was.

Kinsel testified that he deliberately kept a low public profile with respect to his efforts in connection with UEG, both because of his previous connection with Orton's campaign and because Norton made it clear to him that his presence as a Democrat would not be helpful in meetings where the rest of the group attempted to gain the support of other dissident Utah County Republicans.

10/21	Murdock Cell.	Orton Res.	10:01 pm	3 minutes
10/21	Murdock Cell.	Orton Res.	11:57 pm	8 minutes
10/22	OFC-HQ	Kinsel Res.	4:04 pm	3 minutes
10/23	OFC-HQ	Kinsel Res.	9:03 am	6 minutes
10/23	Murdock Cell.	OFC-HQ	3:07 pm	3 minutes
10/24	OFC-HQ	Kinsel Res.	5:22 pm	5 minutes
10/25	Kinsel Res.	Orton Res.	7:55 am	3 minutes
10/25	Orton Cell.	Murdock Res.	8:42 am	18 minutes
10/25	Orton Cell.	Murdock Res.	8:59 am	7 minutes
10/25	Murdock Cell.	OFC-HQ	5:18 pm	5 minutes
11/2	OFC-HQ	Kinsel Res.	4:25 pm	5 minutes
11/2	Kinsel Res.	Orton Res.	8:03 pm	5 minutes
11/3	Kinsel Res.	Orton Res.	7:26 am	8 minutes
11/4	Kinsel Res.	Orton Res.	7:30 am	22 minutes
11/4	Kinsel Res.	Orton Res.	1:57 pm	7 minutes
11/4	Kinsel Res.	Orton Res.	10:14 pm	3 minutes.

Murdock and Kinsel were deposed prior to the time this Office obtained the telephone records; Orton was deposed after this Office had obtained the records. Murdock, whose cellular or residential telephone was involved in 7 of the 19 calls in the table (including two calls to Orton's residence and two calls received from Orton's cellular phone), testified that he may have had conversations with Orton during the period of Orton's candidacy, and that he could not recall any specific conversations, but that he was sure none of the conversations involved UEG. He also testified that he had not to his knowledge

10/21	Murdock Cell.	Orton Res.	10:01 pm	3 minutes
10/21	Murdock Cell.	Orton Res.	11:57 pm	8 minutes
10/22	OFC-HQ	Kinsel Res.	4:04 pm	3 minutes
10/23	OFC-HQ	Kinsel Res.	9:03 am	6 minutes
10/23	Murdock Cell.	OFC-HQ	3:07 pm	3 minutes
10/24	OFC-HQ	Kinsel Res.	5:22 pm	5 minutes
10/25	Kinsel Res.	Orton Res.	7:55 am	3 minutes
10/25	Orton Cell.	Murdock Res.	8:42 am	18 minutes
10/25	Orton Cell.	Murdock Res.	8:59 am	7 minutes
10/25	Murdock Cell.	OFC-HQ	5:18 pm	5 minutes
11/2	OFC-HQ	Kinsel Res.	4:25 pm	5 minutes
11/2	Kinsel Res.	Orton Res.	8:03 pm	5 minutes
11/3	Kinsel Res.	Orton Res.	7:26 am	8 minutes
11/4	Kinsel Res.	Orton Res.	7:30 am	22 minutes
11/4	Kinsel Res.	Orton Res.	1:57 pm	7 minutes
11/4	Kinsel Res.	Orton Res.	10:14 pm	3 minutes.

Murdock and Kinsel were deposed prior to the time this Office obtained the telephone records; Orton was deposed after this Office had obtained the records. Murdock, whose cellular or residential telephone was involved in 7 of the 19 calls in the table (including two calls to Orton's residence and two calls received from Orton's cellular phone), testified that he may have had conversations with Orton during the period of Orton's candidacy, and that he could not recall any specific conversations, but that he was sure none of the conversations involved UEG. He also testified that he had not to his knowledge

had any communication prior to the election with any member of Orton's campaign staff.[15]

Kinsel, whose residential telephone was involved in 12 of the 19 calls (including six calls to Orton's residence), testified that he communicated with Orton on three occasions after resigning from Orton's campaign on October 10. The first was when he dropped off at Orton's house the research projects he had promised in his resignation letter that he would complete. Kinsel testified that he did that within a few days, and probably not more than a week, after his resignation. The second was when he ran into Orton at the office of Peter Billings, Utah Democratic Party chair; Kinsel testified that he was "a little bit embarrassed running into" Orton, because "I knew I couldn't have any real association with him" if his efforts were to remain independent. Finally, Kinsel testified, he asked Orton "a couple of days before the election" whether it would be inappropriate for Kinsel to attend Orton's election night party, and Orton said it would be no problem. Kinsel testified he had no other communications with Orton of any sort between his resignation and Election Day. Kinsel testified that Orton for Congress staff or volunteers "may have called me on an issue question or something,

9704383094 5

---

15. Evidence was developed subsequent to the deposition that Murdock's father and possibly his sister-in-law who had previously dated Orton volunteered for Orton's campaign. Accordingly, Murdock's testimony probably should be construed to refer to any paid member of Orton's campaign staff. Even then, while Murdock may not have known to whom he was speaking, Spencer Taylor, who was a paid member of the campaign staff, said in a sworn statement that on several occasions during 1990 (but not necessarily after October 17) he took messages for Orton from Murdock after answering Orton's cellular phone.

but it was nothing to do with the effort with Snow . . . [i]t wouldn't have been substantial enough to remember."

Orton testified that he had no recollection of any of the conversations at issue. However, he testified that he had no knowledge of any connection between UEG and Kinsel, and that he never spoke with Murdock about any campaign issue.[16] Orton proffered several possible explanations for the calls. For instance, he testified that he had a number of discussions with Murdock's wife about an estate plan during 1990, that Murdock wanted him to look at a potential investment, and that friends from Oregon who were volunteering for his campaign were staying at his residence. In addition, Orton speculated that he or his campaign staff may have been in contact with Kinsel regarding issues Kinsel had worked on prior to leaving the campaign.

Another potential communication between Orton and UEG was a clipping of a newspaper article concerning retiring incumbent Representative Howard Nielson's comments on the volley of charges traded between Snow and UEG. The clipping, a copy of which was produced by Schulzke, contains a handwritten notation reading, "Nielson is repeating and reaffirming Snow's allegations against NORTON & Murdock by stating, 'Everything he [Snow] said is true.' SLANDER & DEFAMATION Repeated" (capitalization in original). At the top of the clipping is a facsimile transmission line reading,

---

16. Indeed, Orton testified that he had never communicated with Kinsel about his connection to UEG even after the election, notwithstanding that Kinsel joined his congressional staff after the election and served there for four years.

9704383094 6

"11/02/90 11:58 [phone symbol] William H Orton."[17] Schulzke did not recall how he came into possession of the clipping, but testified that it was not faxed to him. Schulzke further testified that he and the other participants in UEG would occasionally go through stacks of newspaper clippings together, and that he would copy those he found interesting. Orton had no recollection of faxing the clipping to anyone, but averred that the handwriting on it could be his. He also testified that he recalled removing his facsimile machine from his home and placing it in his campaign headquarters.[18]

E. The Role of Daniel Darger

As noted, Salt Lake City attorney Daniel Darger was the brother of John Darger, the former president of Unique Battery, and was one source of information anonymously provided to the Harmer campaign about Snow's business ties. Daniel Darger was also part of an office-sharing arrangement that involved several

---

17. Telephone billing records confirm that [redacted] was a line billed to Orton.

18. Orton also testified that he recalled no other facsimile machine at the campaign headquarters. However, a document obtained in the course of the investigation indicates that whatever fax machine was at the headquarters, its transmission line was not the same as the one on the clipping discussed in the main text. The document, produced by Daniel Darger, was a copy of Schulzke's first Student Review article that was apparently faxed the day after its publication. Although barely legible, the transmission line on the document appears to read [redacted] Telephone records obtained later in the investigation indicate that in October 1990, [redacted] was an Orton for Congress telephone line.

In a comment after his deposition had been completed, Orton also noted that his facsimile machine can be used as a copier as well as a transmitter.

0704 3830547

attorneys, including William Orton. Darger testified that during the primary election campaign, he showed Orton a copy of a Global Oil-Unique Battery document containing Snow's signature. In a sworn statement, Orton campaign aide Spencer Taylor corroborated that Darger showed Orton copies of documents purportedly connecting Snow to Strand. Darger testified that "the essence of this conversation and the conversations all along after that were that Bill didn't want to get into a mudslinging thing, and didn't think it would be appropriate for him to use that stuff, but I was a free person, I could do whatever I wanted." Darger then provided some of the information anonymously to the Harmer campaign. In his sworn statement, Spencer Taylor said that Darger also provided copies of the documents to Orton's campaign, but that Orton told Taylor to do nothing with the documents.[19]

After Harmer lost the primary election, Darger continued to attempt to gather more information about Snow and Strand. As noted supra, Darger was in possession of a copy of Schulzke's first Student Review article that was apparently transmitted by facsimile from Orton for Congress on October 4. Beginning around October 12, Darger contacted Jack Hyatt, a friend who was the former director of the Utah Securities Division, and other

9704383094 8

---

19. Like Darger, Orton testified that he and Darger had an initial conversation in which Darger mentioned in passing that Snow's financial background was questionable. However, Orton also testified that there was no time to his knowledge that Darger even communicated that he was in possesssion of the Global-Unique merger document (although he did not testify as to whether Darger had shown him any other Global-Unique documents). Orton testified that he became familiar with the merger document after reading it in court files.

securities officials in an attempt to find out more about Strand's background. An entry in Darger's phone log for October 16 reads, "Pc/Bill [-] is person willing to make public comment about Bramble Report."[20] Darger testified that he assumed the "Bill" in his phone log entry referred to Orton. Underneath the entry is a note that reads, "Gather info and ship to Royce." Darger testified that he did gather some information and shipped it to Royce Griffin, a member of Hyatt's staff. However, he did not recall whether he had discussed with Orton the idea of gathering information and shipping it to Royce Griffin.

Darger's phone log reflects that he had communications with Sheldon Kinsel on October 19 and with Kenneth Murdock on October 25. Darger recalled that Murdock was aware of his interest in "stirring up" the issue of Snow's business ties. He also testified that he did not recall discussing with Kinsel his shipment to Royce Griffin, "but it looks like I talked with him the day after . . . so I would say there's a darn good chance I could have." Scott Norton's date planner entry for October 25 contains Royce Griffin's name.[21]

9704383049

III. LEGAL ANALYSIS

A. Applicable Law

The Federal Election Campaign Act of 1971, as amended,

---

20. The "Bramble Report" was an examination of Snow's connection to the Global-Unique deal conducted at Snow's request by Provo accountant Curtis Bramble.

21. This does not necessarily mean Norton entered Royce Griffin's name in his date planner on October 25. Norton testified that he would occasionally use unused space in his date planner for notes.

(hereinafter, "the Act") defines an "independent expenditure" as

> an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate or agent of such candidate.

2 U.S.C. § 431(17). The Act sets no limit on the amount of money persons may spend on independent expenditures. See Buckley v. Valeo, 424 U.S. 1, 51 (1976) (limitation on independent expenditures unconstitutional).

However, any expenditure "made by any person in cooperation, consultation, or concert, with, or at the request or suggestion of, a candidate, his authorized political committees, or their agents, shall be considered to be a contribution," rather than an independent expenditure. 2 U.S.C. § 441a(a)(7)(B)(i). The Act does limit the amount of contributions individuals and groups may make. The Act provides that no person, other than a multicandidate political committee, shall make contributions "to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000." 2 U.S.C. § 441a(a)(1)(A). The Act further provides that no candidate or political committee shall knowingly receive any contribution in violation of the limits of Section 441a(a). 2 U.S.C. § 441a(f).

The Commission's regulations define "made with the cooperation or with the prior consent of, or in consultation with, or at the request or suggestion of, a candidate" to mean any arrangement, coordination, or direction by the candidate or his or

9704383095O

her agent prior to the publication, distribution, display or broadcast of the communication at issue. 11 C.F.R. § 109.1(b)(4)(i). The Commission's regulations further provide that an expenditure will be presumed to be so made when it is "based on information about the candidate's plans, projects or needs provided to the expending person by the candidate, or by the candidate's agents, with a view toward having an expenditure made," 11 C.F.R. § 109.1(b)(4)(i)(A), or when it is "made by or through any person who is, or has been, authorized to raise or expend funds, who is, or has been, an officer of an authorized committee, or who is, or has been, receiving any form of compensation or reimbursement from the candidate, the candidate's committee or agent." 11 C.F.R. § 109.1(b)(4)(i)(B).

Under the Act, authorized committees of candidates for Federal office must file periodic reports of receipts and disbursements. 2 U.S.C. § 434. These reports must contain, inter alia, the identification of each political committee which makes a contribution to the reporting committee during the reporting period, together with the date and amount of any such contribution. 2 U.S.C. § 434(b)(3)(B).

B. Coordination Impairing the Independence of Expenditures

There is ample circumstantial evidence that Orton or persons associated with Orton for Congress discussed plans, projects or activities with members of UEG. As noted, telephone billing records show at least 19 telephone conversations between Kinsel's residence or Murdock's residence or cellular phone, on the one hand, and Orton's residence, his cellular phone, or Orton for

9704383095 1

Congress headquarters, on the other, in the 21 days between October 17 and election day. It bears noting that of the 19 calls, two were made the day before UEG's October 24 press conference, one was made the day of the press conference, and four the day after, including 25 minutes of conversation between Orton's cellular phone and Murdock's residence the morning after the press conference. See supra at 15-16 (table). It further bears noting that a number of the calls were made to Murdock's residence or from his cellular phone during a period when Murdock testified he was devoting substantially all of his time to UEG. Supra at 13. Moreover, on the Friday, Saturday and Sunday prior to the election -- a period just before and including the first of UEG's "last-minute" advertisements -- there were five calls from Kinsel's residence to Orton's residence and an additional call from Orton for Congress headquarters to Kinsel's residence, lasting a total of 50 minutes. This would seem to be a great deal of activity simply to determine whether it would be appropriate for Kinsel to attend Orton's election night party, as Kinsel testified. See supra at 17. Finally, it bears noting that of the 19 calls, nine were made either from Orton's cellular phone or to his residence.

In addition, the "SLANDER and DEFAMATION Repeated" facsimile indicates likely coordination. The apparent facsimile includes a transmission line indicating it was sent or photocopied by Orton's facsimile machine and a handwritten note concerning the possibility of slander and defamation against Norton and Murdock. Orton acknowledged that the note could be his handwriting. Supra

9704383095 2

at 19. Finally, the facsimile was produced to this Office by Schulzke, and while Schulzke could not recall how he obtained it, there is no evidence in the record of any other source from which he could have obtained it other than the other members of UEG.

Finally, the combination of Daniel Darger's communication with Orton on October 16, the note he made on his phone log regarding Royce Griffin immediately underneath that regarding the communication with Orton, his communications with Kinsel three days later and with Murdock nine days later, and the subsequent appearance of Griffin's name in Norton's date book indicate the possibility of indirect coordination between Orton and UEG involving Darger as a middleman. Supra at 19-21.

Taken separately, the facsimile message, the evidence regarding common contacts with Darger, or any one of the telephone conversations might not be conclusive evidence of coordination. However, the facsimile and the Darger evidence in combination with the number, timing, and duration of the telephone calls demonstrate that there were multiple communications during which Orton, or persons associated with him or his committee, could have coordinated or consulted with participants in UEG. Given the number of calls and discussions and the importance of the activity to the participants there is probable cause to believe that coordination took place.

Moreover, and as noted, OFC disclosure reports indicated that Kinsel received a $350 payment for "consulting" on October 8, two days prior to his resignation from the campaign. Accordingly, Kinsel was a "person who ha[d] been receiving compensation or

9704383093

reimbursement . . . from the candidate's committee," and any expenditure made "by or through" him is presumed to have been coordinated. 11 C.F.R. § 109.1(b)(4)(i)(B). Kinsel came to UEG after having advised Orton on issues and prepared him for debates for two months. He had extensive knowledge of what kind of campaign Orton wished to, and did, conduct with respect to debates, issues, what information to use and not use about potential opponents, and internal organization.

At a minimum, expenditures for the press conference and the newspaper insert can be considered to have partially been made "through" Kinsel because of his involvement in UEG's creative and strategic process for each. Supra at 14. Additionally, although his recollection was not as sharp with respect to the newspaper and radio advertisements on the weekend prior to the election, Kinsel testified that he "probably" advised the group on the advertisements. Under Section 109.1(b)(4)(i)(B), UEG's expenditures are therefore presumed to have been coordinated.

Even Norton's activity was, from the outset, coordinated so as to impair the independence of any expenditures with which he became associated. Orton told Norton personally that he did not wish to use the issue of Snow's business ties in the campaign, thus giving Norton a sense of what kind of campaign Orton wished to conduct.[22] Norton testified that he would not have engaged in

---

22. Of course, the sense of the campaign Orton imparted to Norton was somewhat different than that he imparted to Kinsel, whose impression was that Orton had pragmatic as well as principled reasons for not personally raising the issue of Snow's finances, or that he imparted to Schulzke, to whom Orton apparently explained how, in Orton's view, Snow had potentially

9704383095 4

the course of action he took had Orton's answer been different; as he put it, "My itch [would have been] scratched". Supra at 6. If Norton was the founder and driving force behind UEG, UEG was based on information about the campaign imparted to Norton by Orton. Accordingly, UEG was coordinated with Orton's campaign from its inception.[23]

For the reasons stated, this Office concludes that the activities of UEG were conducted in cooperation, coordination, or consultation with William Orton or Orton for Congress. Consequently, under 2 U.S.C. § 431(17), expenditures for those activities were not independent, and under 2 U.S.C. § 441a(a)(7)(B), they were in-kind contributions to Orton for Congress. The total amount of the expenditures was, as noted, $11,452.68, or $10,452.68 in excess of the amount UEG, as a single-candidate committee, was permitted to contribute. 2 U.S.C. § 441a(a)(1)(A). Accordingly, there is probable cause to believe that Orton for Congress and Jennifer Wilson, as treasurer, violated 2 U.S.C. § 441a(f). Because of Orton's personal involvement in the conversation with Norton that led to the

9704383095

(Footnote 22 continued from previous page)
committed tax fraud. See supra at 7, 9-10 & n. 11.

23. See MUR 1272 (where purportedly independent expenditure was based in part on knowledge of, and disagreement with, official campaign strategy, coordination occurred); MUR 872 ("substantial, almost violent disagreement" about campaign strategy between campaign manager and person who formed unauthorized committee was one factor relied on to support finding of coordination). Cf. MUR 2817 (coordination occurred where a county party chairman, having been informed by state officials of a presidential general election campaign and state party officials that the county party could not legally place newspaper ads on the candidate's behalf, placed the ads using his own money).

creation of UEG and his apparent personal involvement in other communications with UEG members or Darger, there is probable cause to believe that William Orton violated 2 U.S.C. § 441a(f).

C. Reporting Violation

As noted, authorized committees of candidates for Federal office are required to identify on their periodic reports of receipts and expenditures the name of each political committee from which they receive a contribution during the reporting period, along with the date and amount of each such contribution. 2 U.S.C. § 434(b)(3)(B). Orton for Congress's amended 1990 Post-General Report shows no contributions received from Utahns for Ethical Government. Based on the conclusion above that UEG's expenditures were in-kind contributions to Orton for Congress, the report should have shown such contributions. Accordingly, there is probable cause to believe that Orton for Congress and Jennifer Wilson, as treasurer, violated 2 U.S.C. § 434(b).

IV. GENERAL COUNSEL'S RECOMMENDATION

Find probable cause to believe that William Orton and Orton for Congress and Jennifer Wilson, as treasurer, violated 2 U.S.C. § 441a(f), and that Orton for Congress and Jennifer Wilson, as treasurer, violated 2 U.S.C. § 434(b).

7/12/95
Date

Lawrence M. Noble
General Counsel

9704383095 6

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

Jul 19 4 36 PM '95

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 19, 1995

SENSITIVE

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Thomas J. Scribner, Esq.
Fisher, Scribner, Moody & Stirland
2696 North University Avenue, Suite 220
Provo, Utah 84604

RE: MUR 3192
Fugal & Fugal, Inc.
and Peggy Fugal, as an officer

Dear Mr. Scribner:

Based on a complaint filed with the Federal Election Commission on November 29, 1990, and information supplied by your clients, Fugal & Fugal, Inc. and Peggy Fugal, as an officer, and others, the Commission, on October 20, 1992 and December 13, 1994, found that there was reason to believe your clients, Fugal & Fugal, Inc. and Peggy Fugal, as an officer, violated 2 U.S.C. §§ 434(c), 441b(a), and 441d(a), and instituted an investigation of this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that violations have occurred.

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (ten copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

9704383095 57

If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90 days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact Lawrence L. Calvert Jr., the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Brief

9704383095 8

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Fugal & Fugal, Inc. and Peggy Fugal, as an officer) MUR 3192

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

On December 13, 1994, the Commission found reason to believe that Fugal & Fugal, Inc. and Peggy Fugal, as an officer, had violated 2 U.S.C. §§ 434(c), 441b(a), and 441d(a).[1] The Office of the General Counsel conducted an investigation. See 2 U.S.C. § 437g(a)(2). This brief is the result of that investigation.

II. ANALYSIS

A. Applicable Law

The Federal Election Campaign Act of 1971, as amended ("the Act") provides that any person who makes independent expenditures of $1,000 or more after the twentieth day, but more than 24 hours, before 12:01 a.m. of the day of an election, must report such expenditures within 24 hours after the expenditures are made. 2 U.S.C. § 434(c).

In addition, the Act prohibits corporations from making contributions or expenditures from their general treasury funds in connection with Federal elections. It also prohibits any officer

1. The Commission had made similar findings on October 20, 1992. The December, 1994 findings were made consistent with the Commission's practice following FEC v. NRA Political Victory Fund, 6 F.3d 821 (D.C. Cir. 1993), petition for cert. dismissed for lack of jurisdiction, 115 S.Ct. 537 (1994).

9704383095 9

or director of any corporation from consenting to any contribution or expenditures by the corporation. 2 U.S.C. § 441b(a).

Further, the Act provides that whenever a person makes an expenditure, independent or otherwise, for a communication through general public political advertising that expressly advocates the election or defeat of a clearly identified candidate, the publication must state who paid for the communication and, if not paid for by a candidate or authorized candidate committee, must state whether the communication was or was not authorized by any candidate or candidate's committee. 2 U.S.C. § 441d(a).

Finally, the Act prohibits any person from making a contribution in the name of another person. 2 U.S.C. § 441f.

B. Relevant Facts

1. Independent Expenditure by Fugal & Fugal, Inc.

Peggy Fugal is a co-owner along with her husband, Sherman, of Fugal & Fugal, Inc., a Utah corporation. In 1990, one of the businesses conducted by Fugal & Fugal, Inc. was Peggy Fugal Advertising.

Peggy Fugal caused to be placed in the Provo Daily Herald a full-page display advertisement that appeared on or about November 1, 1990, in opposition to the candidacy of Karl Snow for United States Representative from the Third Congressional District of Utah in the November 6 general election. The advertisement began with a headline that read, "There's a thin line between withholding facts and lying. In my case, Karl Snow has crossed that line more than once." The advertisement went on to recount Fugal's version of facts and circumstances surrounding a biling

9704383090

dispute stemming from work done by Peggy Fugal Advertising for Snow's unsuccesful 1984 candidacy for the Republican nomination for Governor of Utah. The advertisement concluded its final paragraph of small-type text with a sentence that read, "I'm running this ad to clear my name -- and to help voters get a clearer picture of the Karl Snow I know." In somewhat larger type, the advertisement concluded, "It's difficult for a dyed-in-the-wool Republican like me to vote anything but Republican. I cannot vote for Karl Snow. I'm going to vote for Bill Orton. And so are a lot of other Republicans."[2]

The disclaimer on the advertisement stated that the ad was "paid for by Peggy Fugal Advertising, a division of Fugal & Fugal, Inc., a Utah corporation since 1977." The disclaimer did not indicate whether the advertisement was authorized by any candidate or candidate's committee. Fugal admits that she paid for the advertisement with a corporate check.

Fugal filed with the Commission a Report of Independent Expenditures Made and Contributions Received on November 19, 1990, roughly 18 days after the advertisement appeared.

9704383096 1

2. Work Done by Peggy Fugal Advertising for Utahns for Ethical Government

In addition to the independent expenditure just described, Peggy Fugal Advertising performed work in October and November of 1990 for Utahns for Ethical Government ("UEG"). UEG is a single-candidate political committee, registered with the commission, that also made expenditures in opposition to Snow's

---

2. Orton was Snow's principal opponent in the general election.

candidacy. Specifically, Peggy Fugal Advertising:

*Prepared press packets for a press conference conducted by UEG on October 24, 1990.

*Did slight copy editing and most of the design for two full-page display ads paid for by UEG that appeared in the Daily Herald on November 4 and 5, 1990.

*Wrote, and possibly produced, a radio advertisement aired by UEG on KSL Radio in Salt Lake City, Utah, on November 5, 1990.

Moreover, from time to time the participants in UEG would use space in the offices of Peggy Fugal Advertising for creative brainstorming sessions.

UEG's sole Report of Receipts and Expenditures lists in-kind contributions of $1,000 and $800, respectively, on November 5, 1990 from Sherman and Jayson Fugal for "In-kind: KSL ad advert cost." Sherman and Jayson Fugal are identified in the report as account executives of Peggy Fugal Advertising. The report also lists expenditures of $1,300 to KSL radio for "radio spots" and of $500 to Peggy Fugal Advertising for "production-radio, production-print, telephone and fax", both on November 5, 1990.

As noted, Sherman Fugal is Peggy Fugal's husband and a co-owner of Fugal & Fugal, Inc. Jayson Fugal is Peggy Fugal's son. Peggy Fugal recalled the transactions in the following testimony:

> I don't remember . . . [but] [i]t looks to me the bill was $3,600 and I [donated] half of it.[3] And it was

3. The transcript says "denoted". Although Peggy Fugal has apparently not yet reviewed, corrected, or signed the transcript, the best recollection of staff of this Office is that she said "donated."

9704383096 2

[donated] in the name of my husband and son who were employees of the ad agency. That was a standard practice with me in my whole ad agency career is I always discounted poltical bills 50 percent.

Q. Why was that?

A. They never had the money.

Q. Did you discount nonpolitical bills?

A. Never.

* * *

Q. . . . You had said earlier that you viewed it as sort of a conflict of interest for you to be involved with any client, especially a political client. Would that be why the in-kind contributions would have been listed in your husband's name and your son's name rather than your name?

A. Yes. Furthermore my husband and son didn't work on the campaign. My son was an errand boy and my husband is my bookkeeper so they never work on creative things. They were also opposed to Karl Snow and also in favor of what UEG was doing and wanted to contribute to them.

Q. The report of UEG indicates that Sherman Fugal and Jayson Fugal were listed as account executive. Were they in fact not account executives?

A. Well, account executive is a misrepresentation. Jayson was an 18 year old errand boy and Sherman has never done anything for my business other than book work . . . The more appropriate title would be assistant, but I didn't fill out this form so I didn't make up that term. He did.

C. Analysis

In placing her own advertisement, Fugal did not comply with the requirements of the Act. Fugal admitted that she paid for her own advertisement with corporate funds. The disclaimer on the advertisement does not indicate whether the advertisement was authorized by any candidate or candidate's committee. Finally, while the advertisement appeared roughly five days prior to the

9704438309663

election, Fugal did not report it to the Commission until 13 days after the election, or roughly 18 days after it appeared and 16 days after the expiration of the 48-hour window provided by Section 434(c). Accordingly, there is probable cause to believe that Fugal & Fugal, Inc., and Peggy Fugal, as an officer, violated 2 U.S.C. §§ 441b(a), 441d(a), and 434(c).

As noted, UEG's disclosure report shows receipt of $1,800 in in-kind contributions from Sherman and Jayson Fugal on November 5, 1990, in connection with UEG's radio advertisement of the same date. However, Peggy Fugal testified that Sherman and Jayson Fugal could not have made any in-kind contributions in connection with the radio advertisement because they did no creative work for Peggy Fugal Advertising. Supra at 6. She further testified that the work, done by Peggy Fugal Advertising, was "donated" in their names. Supra at 6. Peggy Fugal Advertising was a "division of" or a "dba" name of Fugal & Fugal, Inc. Peggy Fugal thus testified that at least a portion of the work done by a part of the corporation was an in-kind contribution to UEG, and that it was made in the names of Sherman and Jayson Fugal. Accordingly, there is probable cause to believe that Fugal & Fugal, Inc., and Peggy Fugal, as an officer, violated 2 U.S.C. §§ 441b(a) and 441f.

9704383096 4

III. GENERAL COUNSEL'S RECOMMENDATION

Find probable cause to believe that Fugal & Fugal, Inc. and Peggy Fugal, as an officer, violated 2 U.S.C. §§ 434(c), 441b(a), 441d(a), and 441f.

7/19/95
Date

Lawrence M. Noble
General Counsel

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL ROOM

SWORN STATEMENT Jul 24 10 18 AM '95 Jul 24 9 08 AM '95

LOCATION: Salt Lake City, UT **DATE:** 7/18/95 **TIME:** _____ **MUR#** 3192

Taylor, Spencer [redacted] (801) 467-1738
LAST NAME, FIRST NAME MIDDLE **SOCIAL SECURITY #** **TELEPHONE NUMBER**

I, Spencer Taylor, want to make the following statement under oath:

During the 1990 campaign for United States Representative from the Third Congressional District of Utah, I was employed as treasurer and co-campaign manager of Orton for Congress, which was Bill Orton's campaign committee. Steven Schone and I were the campaign's only two full-time paid employees. I had responsibility for fundraising, press relations, and some political strategy. However, important decisions were made by Bill Orton.

I went to work for Orton in the late winter or early spring of 1990, before he actually declared his candidacy. I did much of my early work for the campaign out of Orton's law office in Salt Lake City. Daniel Darger was an attorney who worked in the same office.

Around the time Karl Snow's candidacy for Congress became public knowledge, Daniel Darger had a conversation with Orton and me in which he told how his brother, John Darger, had been defrauded in a stock scheme by Michael Strand and how Strand had used Karl Snow as a front man to lend credibility to the scheme. On this occasion, Daniel Darger showed us documents purporting to prove Snow's involvement in the transaction. At least some of the documents appeared to have been signed by Karl Snow.

Orton was initially very interested when Daniel Darger showed him the documents. Orton, Daniel Darger, and I discussed the implications of using the documents in the upcoming campaign. These implications included, first, that all we had was Snow's signature on some documents; second, that there was some question as to whether Snow's signature on the documents was genuine; and third, that the only person who could really corroborate the story was Strand, who was in prison at that time. While John Darger could also have corroborated some of the story, my recollection is that there was some bad blood at this time between Daniel Darger and John Darger.

At this point, Orton and Daniel Darger began speaking about the mechanics of the stock deal and the legal technicalities involved in it. Because I am not an attorney, I could not follow what they were saying very well, so I left the room. Orton had completed his conversation with Daniel Darger, he rejoined me, and we had further discussions about the implications of using the documents in the upcoming campaign, along the same lines as the discussions we had had in Daniel Darger's presence.

9704383096 5

STATEMENT OF SPENCER TAYLOR TAKEN AT: Salt Lake City, UT
DATE 7-18-95 **CONTINUED**

Either on that occasion or some time later, Daniel Darger provided to Orton for Congress copies of the documents he had shown Orton and me in the law office in Salt Lake City. Orton told me to do nothing with the documents. However, he later told me that the documents were delivered to the Harmer campaign. I did nothing with the documents.

On a later occasion, I was in the campaign office when someone called to ask if we had material on Snow similar to that being released by John Harmer, Snow's opponent in the Republican primary. While I did not participate in the conversation, and my knowledge is therefore second or third hand, I have some recollection that the caller may have been Eric Schulzke, who had worked for the Harmer campaign and who later wrote a series of articles about Snow's business ties in a Brigham Young University off-campus newspaper. Whoever the caller was, I think he may have spoken with Schone. The caller was told that while our campaign had heard allegations similar to those being raised publicly, we could not confirm anything.

The next time I personally had to deal with the issue of Snow's business ties came after a live debate between Snow and Orton on Channel 5 in Salt Lake City. This debate took place during the general election campaign. Questions about Snow's business ties had been raised by the moderator of the debate, and Orton's responses were noncommittal. This appeared to make Snow madder than a direct attack would have. Off camera and after the debate, Snow lost control of himself. He raised his voice, used profanity, and accused Orton of being behind all of the allegations that were being raised. Snow moved toward Orton as if to start a fist fight, while Snow's son came at me. Orton and I left the station as fast as we could.

Once we on the campaign staff were told we should not speak about Snow's business ties, the issue was not even a frequent topic of conversation around the campaign headquarters. Orton had expressed often his desire to run an issues oriented campaign and our campaign brochure included a pledge that Orton would not engage in "dirty politics." However, some of us in the office were not displeased when the issue was raised by others.

9704383096

Orton would raise the issue in private from time to time, but only in private. Sometimes, when I was in the car with Orton traveling between campaign events, we would discuss the latest public developments regarding Snow's business ties. Moreover, as the campaign progressed, Orton would occasionally engage in offhand conversations with people he knew regarding the legalities and mechanics of the deals in which Snow was allegedly involved. However, Orton would not engage in such conversations with ordinary voters he met on the street.

During the campaign, I was aware of the activities of Utahns for Ethical Government. They were everywhere; their fliers and advertisements could not be avoided. However, I had no inside knowledge of their activities. At one time, I did run into Scott Norton at a lunch spot in Provo; the two of us shared a laugh about what was going on in the campaign, but Norton provided no information on this occasion regarding what UEG was going to do next. I had no sense that Orton was informed about the activities of Utahns for Ethical Government any more than any other member of the public would have been.

I had no substantive contact with Ken Murdock during the campaign. However, I knew who he was, because from time to time I would have responsibility for answering Orton's cellular phone and Murdock called Orton on that phone two or three times when I answered it. I do not remember when those two or three times were. I was aware that Orton and Ken Murdock had been friends and business associates for some years. I believe, but am not certain, that a woman named Candy, who volunteered for Orton for Congress and whose last name I do not remember, was Ken Murdock's sister-in-law. She was married at the time. Moreover, Ken Murdock's father volunteered for Orton for Congress; however, Murdock's father was quite elderly, and did no substantive work for the campaign.

I know Sheldon Kinsel. Kinsel joined Orton for Congress as a volunteer; he was later paid a small amount for consulting work. Later still, he left the campaign. As I mentioned before, Orton had directed everyone associated with the campaign not to touch the issue of Snow's business ties with a ten foot pole, and had forbidden us from discussing the issue with anyone. Kinsel violated that rule and was asked to leave the campaign. I remember Orton being very upset at the time, but I do not remember the specific manner in which Kinsel violated the rule.

9704383096 7

STATEMENT OF SPENCER TAYLOR TAKEN AT: Salt Lake City, UT
DATE 7-18-95 CONTINUED

From the beginning of Kinsel's involvement with the campaign, he and I did not get along. After Kinsel left the campaign, I was aware of his involvement with Utahns for Ethical Government; however, I do not recall how I became aware of that. I was happier that he was gone than that he was working with Ucahns for Ethical Government. After Orton was elected to Congress, Orton hired Kinsel for his Congressional office staff.

After the election, I planned to work on Orton's Congressional staff. However, I also wanted to go back to school, and I needed some money to do that. I had a misunderstanding with Kinsel over whether Orton had agreed that the campaign would advance me money against compensation previously earned, but to be paid in the future for that purpose. As a result of this disagreement, I parted ways with Orton.

9704383096 8

AFFIDAVIT

I, SPENCER TAYLOR, HAVE READ OR HAVE HAD READ TO ME THIS STATEMENT WHICH BEGINS ON PAGE 1 AND ENDS ON PAGE 4. I FULLY UNDERSTAND THE CONTENTS OF THE ENTIRE STATEMENT MADE BY ME. THE STATEMENT IS TRUE. I HAVE INITIALED ALL CORRECTIONS AND HAVE INITIALED THE BOTTOM OF EACH PAGE CONTAINING THE STATEMENT. I HAVE MADE THIS STATEMENT FREELY WITHOUT HOPE OF BENEFIT OR REWARD, WITHOUT THREAT OF PUNISHMENT, AND WITHOUT COERCION, UNLAWFUL INFLUENCE, OR UNLAWFUL INDUCEMENT.

Spencer S. Taylor
(Signature of Person Making Statement)

Subscribed and sworn before me, this 18th day of July, 1995, at Salt Lake City.

Joyce A. Nunn
(Notary Public)

NOTARY PUBLIC
JOYCE A. NUNN
170 South Main #1500
Salt Lake City, Utah 84101
My Commission Expires
November 15, 1996
STATE OF UTAH

EXHIBIT ___ INITIALS OF PERSON MAKING STATEMENT ST PG 4 OF 5 PGS

PERKINS COIE

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
607 FOURTEENTH STREET, N.W. · WASHINGTON, D.C. 20005-2011
TELEPHONE: (202) 628-6600 · FACSIMILE: (202) 434-1690

July 26, 1995

Jul 27 11 56 AM '95

By Facsimile

Lawrence L. Calvert, Esq.
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 3192

Dear Mr. Calvert:

On behalf of Congressman William H. Orton, Orton for Congress, and Jennifer Wilson, as treasurer, we request an extension of time to file our brief in this case. An extension of time is necessary in order to review the record, have an adequate opportunity to discuss the issues with our client, collect factual information, and prepare a comprehensive response. Therefore, we are requesting an extension of 20 days until August 28, 1995.

During our conversation last week, I requested a copy of the transcript from Congressman Orton's deposition. We would appreciate receiving a copy as soon as possible so that we can begin preparing our brief.

Sincerely,

Robert F. Bauer
B. Holly Schadler
Counsel to Respondents

[23989-0001/DA952070.035]

9704383092669

PERKINS COIE

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
607 FOURTEENTH STREET, N.W. · WASHINGTON, D.C. 20005-2011
TELEPHONE: (202) 628-6600 · FACSIMILE: (202) 434-1690

July 28, 1995

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
JUL 28 4 05 PM '95

By Facsimile

Lawrence L. Calvert, Esq.
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 3192

Dear Mr. Calvert:

On behalf of Congressman William H. Orton, Orton for Congress, and Jennifer Wilson, as treasurer, we request an extension of time to file our brief in this case. An extension of time is necessary in order to review the record, have an adequate opportunity to discuss the issues with our client, collect factual information, and prepare a comprehensive response. Therefore, we are requesting an extension of 10 days until August 18, 1995.

Sincerely,

Robert F. Bauer
B. Holly Schadler
Counsel to Respondents

9704383097 0

[23989-0001/DA952070.035]

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

July 28, 1995

BY FACSIMILE AND FIRST-CLASS MAIL

Robert F. Bauer, Esq.
B. Holly Schadler, Esq.
Perkins Coie
607 Fourteenth Street, N.W.
Washington, D.C. 20005-2011

RE: MUR 3192
William Orton
Orton for Congress and
Jennifer Wilson, as treasurer

Dear Mr. Bauer and Ms. Schadler:

This is in response to your letters of July 26 and 28, 1995, and my telephone conversations with Ms. Schadler of July 27 and 28, 1995, regarding your request for an extension of time to respond to the General Counsel's Brief in the above-captioned matter.

Pursuant to my conversation with Ms. Schadler earlier today, and after considering your letter dated July 28, the Office of the General Counsel grants the 10-day extension requested in that letter. Accordingly, your responsive brief is due not later than the close of business, Friday, August 18, 1995.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

9704383091

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 1, 1995

BY FACSIMILE AND FIRST CLASS MAIL

J. Michael Bailey, Esq.
Parsons Behle & Latimer
One Utah Center
201 South Main Street
Suite 1800
P. O. Box 45898
Salt Lake City, Utah 84145-0898

RE: MUR 3192
Utahns for Ethical Government
and Scott Lee Norton,
as treasurer

Dear Mr. Bailey:

This is in response to our telephone conversation of earlier today, August 1, 1995, in which you requested an extension of time through August 18, 1995, in which to respond to the General Counsel's Brief in the above-captioned matter. After considering the circumstances presented by your request, the Office of the General Counsel has granted the requested extension. Accordingly, your brief is now due no later than the close of business, Eastern time, Friday, August 18, 1995.

Please call me at (202) 219-3690 if you have any questions.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

9704383092

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 4, 1995

BY FACSIMILE AND FIRST CLASS MAIL

Thomas J. Scribner, Esq.
Fisher, Scribner, Moody & Stirland
2895 North University Avenue
Suite 220
Provo, Utah 84604

RE: MUR 3192
Fugal & Fugal, Inc.
and Peggy Fugal, as an officer

Dear Mr. Scribner:

This is in response to our telephone conversation of August 3, 1995, in which you requested an extension of time through August 18, 1995, in which to respond to the General Counsel's Brief in the above-captioned matter. After considering the circumstances presented by your request, the Office of the General Counsel has granted the requested extension. Accordingly, your brief is now due no later than the close of business, Eastern time, Friday, August 18, 1995.

Please call me at (202) 219-3690 if you have any questions.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

9704383093

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 1, 1995

MEMORANDUM

TO: Larry D. McCoy
Administrative Officer

THROUGH: Lois G. Lerner
Associate General Counsel

FROM: Lawrence L. Calvert Jr.
Attorney

SUBJECT: Request for Witness Fees and Mileage - MUR 3192

In MUR 3192, depositions were conducted at the Commission's offices on May 4 and July 10, 1995; in Provo, Utah, on June 5 through June 8, 1995; and in Salt Lake City, Utah, on June 9, 1995. It is therefore requested that seven checks be issued for the witness fees and estimated mileage expenses in the amounts indicated below:

Name	Miles	Mileage (x $.30)	Witness Fee	TOTAL
Charles E. Schulzke	0	$0.00	$40.00	$40.00

(NOTE: Mr. Schulzke's deposition involved invitational travel; my understanding is that reimbursement for his travel expenses is being handled separately).

Kenneth Murdock	4	$1.20	$40.00	$41.20
Peggy Fugal	20	$6.00	$40.00	$46.00
Scott Norton	10	$3.00	$40.00	$43.00
Kit S. Kinsel	60	$18.00	$40.00	$58.00
Daniel G. Darger	0	$0.00	$40.00	$40.00
William H. Orton	1	$0.30	$40.00	$40.30

9704383097 4

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 4, 1995

Mr. C. Eric Schulzke
1840 Little Creek Road
Auburn, California 95602

RE: MUR 3192

Dear Mr. Schulzke:

Enclosed please find a check in the amount of $81.00 to cover expenses associated with your travel between Boston, Massachusetts and Washington, D.C. for your deposition in the above-noted matter on May 4, 1995. Please accept my apologies for the delay. I note that your memorandum to us was dated May 16, 1995; however, it was not received in the Office of the General Counsel until July 7, 1995.

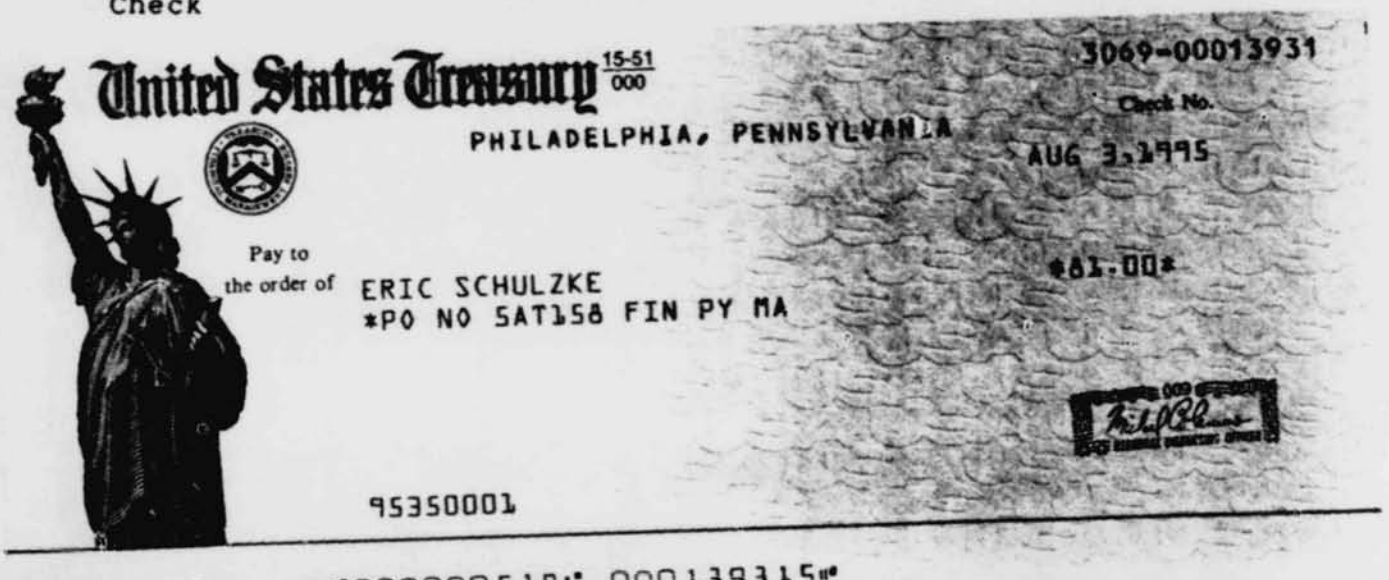
The check for your witness fee is being handled separately. It has been requested, and when it is processed it will be mailed to you under separate cover.

Please contact me at (202) 219-3690 if you have any questions.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

Enclosure
Check



9704383097 5

9704383097 6

United States Treasury 15-51 000

PHILADELPHIA, PENNSYLVANIA

3069-00013953

Check No.

AUG 10, 1995

Pay to the order of SCOTT NORTON

$43.00*

*PO NO SAW073 WITNESS FEE
95350001

"30690" :000000518: 000139535"

United States Treasury 15-51 000

PHILADELPHIA, PENNSYLVANIA

3069-00013951

Check No.

AUG 10, 1995

Pay to the order of KENNETH MURDOCK

$43.20*

*PO NO SAW073 WITNESS FEE
95350001

"30690" :000000518: 000139513"

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 11, 1995

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Thomas J. Scribner, Esq.
Fisher, Scribner, Moody & Stirland
2696 North University Avenue
Suite 220
Provo, Utah 84604

RE: MUR 3192
Fugal & Fugal, Inc.
and Peggy Fugal, as an officer

Dear Mr. Scribner:

Pursuant to 2 U.S.C. § 437d(a)(5) and 11 C.F.R. § 111.14, please find enclosed a check in the amount of $46.00 payable to your client, Peggy Fugal. The check is for the witness fee and mileage associated with Ms. Fugal's deposition in the above-captioned matter on June 6, 1995.

Please call me at (202) 219-3690 if you have any questions.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

Enclosure
Check

9704383009177

United States Treasury 15-51/000

3069-00013952

PHILADELPHIA, PENNSYLVANIA Check No.

AUG 10, 1995

Pay to the order of PEGGY FUGAL

$46.00*

*PO NO SAW073 WITNESS FEE
95350001

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 11, 1995

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Kit Sheldon Kinsel
992 North Valley Drive
Heber City, Utah 84032-1027

RE: MUR 3192

Dear Mr. Kinsel:

Pursuant to 2 U.S.C. § 437d(a)(5) and 11 C.F.R. § 111.14, please find enclosed a check payable to you in the amount of $58.00. This check is for the witness fee associated with your deposition in the above-captioned matter on June 8, 1995.

Please call me at (202) 219-3690 if you have any questions.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

Enclosure
Check

9704383098

United States Treasury 15-51/000

3069-00013954

PHILADELPHIA, PENNSYLVANIA

Check No.

AUG 10, 1995

Pay to the order of KIT S KINSEL

$58.00*

*PO NO SAW073 WITNESS FEE
95350001

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 11, 1995

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Daniel G. Darger, Esq.
9 Exchange Place, Suite 1000
Salt Lake City, Utah 84111

RE: MUR 3192

Dear Mr. Darger:

Pursuant to 2 U.S.C. § 437d(a)(5) and 11 C.F.R. § 111.14, please find enclosed a check payable to you in the amount of $40.00. This check is for the witness fee associated with your deposition in the above-captioned matter on June 9, 1995.

Please call me at (202) 219-3690 if you have any questions.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

Enclosure
Check

9704383099/9

United States Treasury 15-51 000

PHILADELPHIA, PENNSYLVANIA

3069-00013955
Check No.
AUG 10, 1995

Pay to the order of DANIEL G DARGER

$40.00*

*PO NO SAW073 WITNESS FEE
95350001

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

August 11, 1995

Mr. Robert F. Bauer, Esq.
Ms. B. Holly Schadler, Esq.
Perkins Coie
607 Fourteenth Street, N.W.
Washington, D.C. 20005-2011

RE: MUR 3192
William H. Orton
Orton for Congress
and Jennifer Wilson, as treasurer

Dear Mr. Bauer and Ms. Schadler:

Pursuant to 2 U.S.C. § 437d(a)(5) and 11 C.F.R. § 111.14, please find enclosed a check in the amount of $40.30 payable to your client, William H. Orton. The check is for the witness fee and mileage associated with Representative Orton's deposition in the above-captioned matter on July 10, 1995.

Please call me at (202) 219-3690 if you have any questions.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

Enclosure
Check

9704383093 80

United States Treasury 15-51/000

3069-00013956

Check No.

PHILADELPHIA, PENNSYLVANIA

AUG 10, 1995

Pay to the order of WILLIAM H ORTON

$40.30*

*PO NO SAW073 WITNESS FEE
95350001

"30690" :000000518: 00013956 8"

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

August 11, 1995

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. C. Eric Schulzke
1840 Little Creek Road
Auburn, California 95602

RE: MUR 3192

Dear Mr. Schulzke:

Pursuant to 2 U.S.C. § 437d(a)(5) and 11 C.F.R. § 111.14, please find enclosed a check payable to you in the amount of $40.00. This check is for the witness fee associated with your deposition in the above-captioned matter on May 4, 1995.

Please call me at (202) 219-3690 if you have any questions.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

Enclosure
Check

9704383098 1

United States Treasury 15-51 000

3069-00013957

PHILADELPHIA, PENNSYLVANIA

Check No.

AUG 10, 1995

Pay to the order of CHARLES E SCHULZKE

$40.00

*PO NO SAW073 WITNESS FEE
95350001

"30690" :000000518: 00013957?"

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 11, 1995

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. J. Michael Bailey, Esq.
Parsons Behle & Latimer
One Utah Center
201 South Main Street, Suite 1800
P. O. Box 45898
Salt Lake City, Utah 84145-0898

RE: MUR 3192
Utahns for Ethical Government
and Scott Lee Norton, as treasurer

Dear Mr. Bailey:

Pursuant to 2 U.S.C. § 437d(a)(5) and 11 C.F.R. § 111.14, please find enclosed checks payable to your clients, Kenneth Murdock and Scott Norton. These checks are for witness fees and mileage associated with the depositions of Messers. Murdock and Norton in the above-captioned matter on June 5 and June 7, 1995, respectively.

Please call me at (202) 219-3690 if you have any questions.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

Enclosure
Checks (2)

9704383009882

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 18, 1995

J. Michael Bailey, Esq.
Parsons Behle & Latimer
One Utah Center
201 South Main Street, Suite 1800
P. O. Box 45898
Salt Lake City, Utah 84145-0898

RE: MUR 3192
Utahns for Ethical Government
and Scott Lee Norton, as treasurer

Dear Mr. Bailey:

Per your request, please find enclosed copies of the advisory opinions we discussed in our telephone conversation of Thursday, August 17, 1995.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

9704383099 83

PARSONS BEHLE & LATIMER

A Professional Law Corporation

ONE UTAH CENTER
201 South Main Street, Suite 1800 • Post Office Box 45898
Salt Lake City, Utah 84145-0898
Telephone 801-532-1234 • Facsimile 801-536-6111

Keith E. Taylor
James B. Lee
Gordon L. Roberts
F. Robert Reeder
J. Gordon Hansen
Lawrence E. Stevens
Daniel M. Allred
Roy G. Haslam
Dallin W. Jensen
W. Jeffery Fillmore
Kent W. Winterholler
Barbara K. Polich
Randy L. Dryer
Charles H. Thronson
David R. Bird
Raymond J. Etcheverry
Francis M. Wikstrom
David W. Tundermann
Chris Wangsgard
Neil Orloff
James M. Elegante
Val R. Antczak
Spencer E. Austin
Lee Kapaloski

Stephen J. Hull
John B. Wilson
Robert C. Hyde
Craig B. Terry
David A. Anderson
Gary E. Doctorman
Kent B. Alderman
Kent C. Dugmore
Kent O. Roche
Patricia J. Winmill
Randy M. Grimshaw
Lawrence R. Barusch
Maxwell A. Miller
William D. Holyoak
Paul D. Veasy
Robert C. Delahunty
Stuart A. Fredman
R. Craig Johnson*
Daniel W. Hindert
Lois A. Baar
Carolyn Montgomery
Michael L. Larsen
Jonathan K. Butler
David G. Mangum

* Admitted only in Colorado, Connecticut and Pennsylvania

Derek Langton
Lucy B. Jenkins
Lorna Rogers Burgess
David L. Deisley
Richard M. Marsh
Hal J. Pos
W. Mark Gavre
Scott R. Carpenter
Mark S. Webber
J. Michael Bailey
E. Russell Vetter
J. Thomas Beckett
M. Lindsay Ford
Jim Butler
Douglas R. Davis
Elizabeth S. Conley
Shawn C. Ferrin
Elizabeth S. Whitney
Jo Ann Lippe*
Craig D. Galli
Elisabeth R. Blattner
James H. Woodall
James E. Karkut

Of Counsel
Mark A. Glick

William J. Evans
C. Kevin Speirs
Michael J. Malmquist
David W. Zimmerman
David B. Hancock
Alan K. Plaby
K.C. Jensen
Lisa A. Kirschner
Michael A. Zody
Elizabeth Kitchens Jones
David M. Bennion
Marji Hanson
Matthew J. Harmer
Steve K. Gordon
Jeannette F. Swent
William R. Gray
William J. Stilling
Clare Russell Davis
Barry N. Johnson
Michael J. Tomko
James T. Blanch
Kyle C. Jones
Anne Whitehead Morgan
Jeremy E. Wenokur
Edward B. Grandy

*Admitted only in New York and New Jersey

August 18, 1995

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
'95 AUG 21 10 56 AM

VIA FEDERAL EXPRESS

Lawrence J. Calvert
Office of General Counsel
Federal Election Commission
999 "E" Street, N.W., Rm. 657
Washington, D.C. 20463

Re: MUR 3192

Dear Mr. Calvert:

Enclosed please find three (3) copies of the Brief of Utahns for Ethical Government and Scott Lee Norton, As Treasurer, in the above-referenced matter. Ten (10) copies have been sent to the Secretary of the Commission for filing this same date.

If you have any questions or concerns, please contact me.

Very truly yours,

J. Michael Bailey

JMB/mg
Enclosure
cc: Ken Murdock
Scott Norton

9704383092 4

BEFORE THE FEDERAL ELECTION COMMISSION

* * * * * * * *

In the Matter of	)	MUR 3192
	)	
Utahns for Ethical Government and Scott Lee Norton, as treasurer	)	**BRIEF OF UTAHNS FOR ETHICAL GOVERNMENT AND SCOTT LEE NORTON, AS TREASURER**
	)	
	)	
	)	

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
Dec 21 10 56 AM '95

* * * * * * * *

INTRODUCTION

This action began when a complaint ("Complaint") was filed with the Federal Election Commission ("FEC") on November 29, 1990, nearly five years ago. That Complaint alleged that Utahns for Ethical Government ("UEG"), and Scott Norton, as Treasurer, violated the Federal Election Campaign Act of 1971 ("the Act") during the Third Congressional District's (Utah) 1990 election for the United States House of Representatives involving William Orton and Karl Snow, his opponent (the "Election"). On July 19, 1995, in a letter to counsel for UEG, the Office of General Counsel ("General Counsel") for the FEC recommended a finding of probable cause to believe that Utahns for Ethical Government and Scott Lee Norton, as Treasurer, violated 2 U.S.C. §§ 433(a), 434(b), 441(a), or alternatively, 434(c), and 2 U.S.C. § 441(d)(a). However, in General Counsel's brief, General Counsel raised two violations for the first time in the five year history of this proceeding. With no prior notice to the parties and without following the procedures outlined by the Act, General Counsel found probable cause to believe that UEG also violated 2 U.S.C. §§ 441b(A) and 441f.

9704383095

General Counsel's probable cause brief claims that (1) UEG made expenditures in cooperation, consultation or concert, with or at the request or suggestion of a candidate and should be considered contributions to the candidate rather than independent expenditures; (2) UEG filed its Statement of Organization 19 days after becoming a political committee instead of within 10 days as required by the statute; (3) that communications which were paid for by UEG did not state whether the communication was or was not authorized by the candidate or the candidate's committee and, for the first time, that (4) UEG knowingly accepted contributions by a corporation in connection with a federal election; and (5) UEG knowingly accepted a contribution made by one person in the name of another.

As discussed below, General Counsel has based the majority of its claims on speculation based on circumstantial evidence. In order to marshall the circumstantial evidence to support its findings, General Counsel not only had to speculate, it had to adopt the worst case scenario in an attempt to create probable cause.

9704383093086

FACTUAL BACKGROUND

A. UEG Was Organized to Reveal to the Public the "Real Karl Snow."

The evidence gathered by the General Counsel in its lengthy investigation establishes that UEG was formed not to benefit Congressman Orton or his campaign, but to satisfy the desire of the persons associated with UEG to hold Karl Snow, a Provo, Utah educator and businessman, accountable for what they viewed as serious misconduct in connection with a stock fraud scheme. That scheme involved Unique Battery Systems, Inc., Global Oil Company and Michael Strand, a Utah businessman. As the persons associated with UEG testified, their only goal was to attack Snow, and that did not require any coordination with

Orton or his campaign. The evidence of UEG's motives should be considered, since it explains why UEG acted without consulting or coordinating with Orton or his campaign.

Kenneth Murdock, a life-long Republican, explained under oath that his involvement in UEG was driven by moral outrage at Snow's conduct, not by a desire to assist Orton's candidacy. In fact, Murdock had concluded that Orton's candidacy in the predominantly Republican district was ill-advised and that he would not support it:

> Q. Mr. Murdock, how did you find out that Mr. Orton was going to be a candidate for congress?
>
> A. In the spring of 1990 Bill and I were talking and he announced to me that he was thinking very strongly about running for congress and that was it.
>
> Q. What did you think of that?
>
> A. I thought it was a stupid idea.
>
> Q. Why is that?
>
> A. Well, because he was relatively unknown in a highly Republican district. Traditionally Democrats are not successful and a lot of times chewed up pretty badly in this district. And besides I was a Republican and I didn't want to have that.
>
> * * *
>
> Q. Once he was in the race would it be fair to say at that point you supported his candidacy?
>
> A. No. As a matter of fact at that same meeting he asked if I would support him and work on his campaign and denote (sic) to his campaign. I told Bill -- I tried to talk him out of it. I said I have no time, Bill. This is not a fight I want. If you're going to do it you're going to do it on your own. I don't have the time. Don't count on me because I am way too busy. I left it at that. I was very honest with him because I didn't want to have any false illusions about me being out there for him.

9704383098 7

Deposition of Kenneth Murdock ("Murdock Deposition") at 11-13.

Murdock's motivation to become involved in UEG's activities stemmed from his relationship with a former neighbor, Percy Kalt, a man Murdock described as shy and kind, who had been severely victimized by the stock fraud scheme. Murdock explains why he decided to work with UEG to publicize Snow's involvement with the scheme:

> I guess it was a sense of fairness involving Karl Snow and Percy Kalt. I had a pretty high sense of outrage in what I had known as a neighbor and the history of what had happened roughly five years previously. Seeing a man completely destroyed by his involvement in this investment and then being hung out, eventually losing his job, being discredited in the community and Karl Snow disavowing any knowledge of the man or any involvement. And them having the same employer Karl Snow has maintained his position and his standing in the community, not that he should have been treated equally, but I felt a very strong unequitable and unfair treatment and I was pretty outraged.

Id. at 22.

To best understand the depth and breadth of Murdock's motivation, an understanding of who Percy Kalt was is essential. Murdock described him in detail:

> I think all three of us were really outraged at what Karl had said publicly about Percy Kalt. You have to understand who Percy Kalt is. Percy Kalt is a concert violinist, a music teacher, a man that never raises his voice, a man that's never been involved in politics and business but knows music and appreciates music and teaches it. That's his life. Just the kind of person you would like to live next to as a good neighbor.
>
> Maybe I'm digressing, but when all this happened Percy Kalt didn't know what to do when the investment turned out to be worthless. He couldn't afford to pay for $25,000 mortgage and kind of I guess did what a lot of people do when they've gone to the authorities and gone to the company and went to Karl Snow and went everywhere to get help and nobody would give him help. This just ate at him and ate at him for a long time so then he started doing some things that was not proper,

9704383098

> threatening I think his name was Strand, the owner of the company, and asking Karl Snow to help him or whatever.
>
> Eventually, it came to where he fire bombed this guy's house in desperation. He temporarily got out of control which is completely uncharacteristic from this man I had known for many years.

Id. at 24.

Like Murdock, Scott Norton, UEG's Treasurer, is a Republican who did not support Orton's candidacy. Norton recalls that when Orton sought his support early in the campaign, he declined because he "didn't feel like throwing money away on a Democratic candidate." Deposition of Scott Lee Norton ("Norton Deposition") at 18. However, as the campaign progressed, Norton learned about Snow's involvement in the stock fraud scheme, and felt compelled to publicize the issue. Norton had supported Republican candidate, John Harmer, in the Republican primary and was upset that Snow, despite his involvement in the stock fraud scheme, had attacked Harmer on personal financial issues. Norton felt an obligation to expose what he perceived to be Snow's hypocrisy:

> During this primary I had watched the Republican party. I would watch this battle between Karl Snow and John Harmer. It was an extremely what I've learned in business a dirty campaign. The Snow campaign was dragging out every financial detail this Harmer person had and opening them up.
>
> And I was aware during the primary that Harmer was trying to bring things up about Snow and was unsuccessful and Harmer got slaughtered. He was the popular candidate. Snow was the insider party leader. At one point four lawyers stepped up and said we'll do an independent review of both of these candidates' financials and they produce this thing and exonerated Snow completely and absolutely slammed Harmer.
>
> So the Student Review article took the details of Snow's activities and showed where he absolutely lied, just lied and got away with it. It had details and everything.

9704383098 9

* * *

Q. I want to ask you a few questions about this narrative. A lot of people think that politics is a dirty business. What was it about the information concerning Mr. Snow that made you so upset?

A. That he got away with it. I consider myself a Republican. Although I was not involved with either campaign I was watching it. He got away with it. It was so blatant, so dirty.

Norton Deposition at 21-22.

The third UEG principal, Eric Schulzke, had similar motivations. Schulzke, also a Republican, is related to Harmer and had worked as a volunteer on Harmer's unsuccessful Republican primary campaign against Snow. As General Counsel stated in its brief, stinging from Harmer's bitter loss to Snow, Schulzke was determined to keep alive the issue of Snow's involvement in the stock fraud scheme. Schulzke's articles about this issue in the Student Review served as retribution for the tactics Snow utilized against Harmer.

The formation of UEG was triggered by a political gathering on October 16, 1990 that all the UEG principals attended. Murdock, Norton and Schulzke met at the gathering and began discussing their common desire to expose Snow's involvement in the stock fraud scheme. They were joined in these discussions by Sheldon Kinsel.[1] They continued the discussion outside the gathering in Norton's car where they agreed that they would join together to expose Snow's involvement in the scheme. As described by Norton, they

[1] Although the General Counsel portrays Kinsel as one of the principals of UEG, in reality, the record demonstrates that he was only marginally involved in the group's activities. See Murdock Deposition at 38; Norton Deposition at 57.

9704383099 0

considered themselves to be a "citizens watchdog group," not a political organization. Norton Deposition at 13.

Norton explains that although the name "UEG" connotates a large organization, in reality, the organization consisted of only Murdock, Norton, and Schulzke:

> UEG is a big name. Basically it's Eric and I. Eric wrote the articles. I said I will reprint them. Within the next day or two Ken Murdock would have to be included. Beyond that you have some peripheral people. The reason I say that is with Ken Murdock and myself and Eric Schulzke we pretty much did everything.

Norton Deposition at 57. The "peripheral people" who assisted Murdock, Norton, and Schulzke included Kinsel who, according to Norton, was not "materially involved." Id. Murdock confirms that Kinsel had a very limited role: "Well, I mean we were UEG and his only contact with us was occasional and he didn't do any of the work. He would drop by and see what was going on and talk to us and be there for a while and then he would disappear. We did the work." Murdock Deposition at 38.

B. Congressman Orton Decided that Karl Snow's Alleged Involvement in the Stock Fraud Scheme Should not be a Campaign Issue.

From the moment he learned the details of Karl Snow's alleged involvement in the stock fraud scheme involving Unique Battery and Global Oil, Congressman Orton decided that the issue was not appropriate for the campaign and that neither he nor anyone in his campaign would raise it. This decision, made by Orton early in the campaign, renders implausible General Counsel's ultimate conclusion that Orton and his campaign worked actively behind the scenes to publicize the issue.

Orton, who was a practicing tax lawyer at the time, investigated the matter by going to a county courthouse and reviewing a case file relating to litigation involving the stock

9704383099 1

fraud scheme. Orton concluded that Snow was not a knowing participant in the scheme and that Snow had been unwittingly used by Michael Strand to give an appearance of legitimacy to the scheme. Based on that conclusion, Orton decided that Snow's involvement in the stock fraud scheme was not a legitimate issue, and he decided that he would not raise it during the campaign.

Orton explained his conclusion when he gave testimony on this matter:

> . . . But I do recall that I read through that file, and at the conclusion of reading through it, I was still convinced that it was not something I wanted to raise as a political issue.
>
> I did have some concern about the type of characters that may be involved; but in reading through and looking at Karl Snow's involvement, it appeared to me that his involvement was -- my personal opinion was that Snow was probably duped, that Michael Strand probably used Karl Snow to legitimatize what he was attempting to do. And that Snow probably didn't have any integral knowledge or involvement in what Strand was doing . . . . <u>And so I again at that point said, well, I decided for myself I wasn't going to raise that as a political issue</u>.

Deposition of William H. Orton ("Orton Deposition") at 30 (emphasis added).

Although Orton had concluded that Snow's involvement in the stock fraud scheme should not be a campaign issue, many people disagreed with him. Throughout the campaign, various people, including the press, repeatedly urged Orton to confront Snow with this issue. On every occasion, Orton refused, choosing to stand by his original decision not to raise the issue. Orton's repeated, unwavering refusals to make an issue of Snow's alleged involvement in the scheme, shown by the evidence described below, reveal the noticeable lack of foundation for General Counsel's inferential conclusion that Orton secretly worked with the UEG to publicize the issue.

9704383099 92

Daniel Darger may have been the first person who suggested to Orton that he use this issue against Snow. Orton and Darter shared office space in Salt Lake City under an office-sharing arrangement among a group of lawyers. Darger's brother, John, lost a substantial amount of money in the stock fraud scheme, and Darger felt strongly that Snow's involvement in the scheme should be publicized. Darger suggested to Orton that he turn Snow's involvement in the scheme into a campaign issue, but Orton refused. In the testimony he gave to the FEC, Orton explained why he refused Darger's suggestion:

> . . . [M]y recollection was he told me that Karl Snow had a questionable financial background, and it was something I could use politically against him, and I told him that I had several problems in doing that. One, as his political opponent, no one would believe me.
>
> Secondly, I didn't want to waste time attacking my opponent. I wanted to deal with issues, and all of that discussion would simply distract from the campaign. It would make me look like every other politician. I just -- I didn't have the time or inclination and told him, . . .

Orton Deposition at 27-28.

Darger confirms Orton's recollection. In testimony quoted in General Counsel's brief, Darger states: "[T]he essence of this conversation and the conversations all along after that were that Bill didn't want to get into a mudslinging thing, and didn't think it would be appropriate for him to use that stuff . . . ." General Counsel Brief at 20.

Consistent with this testimony, former Orton campaign worker Spencer Taylor, stated, in a sworn statement submitted to the FEC, that at some point during the campaign, Darger provided the Orton campaign with documents showing Snow's involvement in the stock fraud scheme. According to Spencer, upon learning that his campaign had these

9704383093

documents, Orton instructed his campaign workers that they were not to do anything with them.

In September, 1990, Scott Norton urged Orton to turn Snow's involvement in the stock fraud scheme into a campaign issue. Orton and Norton knew each other through their involvement in the Church of Jesus Christ of Latter-day Saints. During a birthday party that members of a church group threw for Orton in September, 1990, Norton approached Orton and urged him to make the stock fraud scheme a campaign issue. Once again, Orton refused, explaining he did not think it should be an issue. He describes his response to Norton:

> My response was that, number one, I didn't have time, I didn't want to divert my few resources. Clearly, I mean it is an issue I could have taken up and raised the questions in debates and so on. But I felt that that would take away from what I was trying to do; that it would be damaging for me, in fact. I honestly believed that people believe all politicians are corrupt anyway and a little question here or there is not what is going to change their mind. I believe what people want is someone who understands the issues, who is substantive, who isn't a politician, someone who wants to go back there and do something about resolving the debt crisis.
>
> And feeling like I had something to contribute, I wanted the public to hear that. I wanted to have them hear me say what I would do to lower the national debt, what I would do to change the tax laws in this country. And the more time was being spent on Karl Snow doing this or Karl Snow doing that was less time that anyone would focus on me and my issues and what I felt this country ought to be doing.

Orton Deposition at 97-98.

Mr. Norton clearly recalls Orton's refusal to make Snow's involvement in the stock fraud scheme a campaign issue. In testimony cited by General Counsel, Norton states that Orton was "very forceful" in his refusal to raise this issue. Norton remembers Orton stating

9704383099 4

that if anyone from his campaign attempted to raise the issue, they would be fired. General Counsel Brief at 6.

Another person who urged Orton to publicize Snow's involvement in the stock fraud scheme was Ken Murdock, one of Orton's clients and a personal friend. Murdock called Orton in September, 1990 and related the story of a friend and neighbor Percy Kalt whose financial status and personal life had been destroyed by the stock fraud scheme. Murdock strongly believed that Snow should be held accountable, and urged Orton to raise the issue in the campaign. Orton refused, again explaining that the issue would only distract from the legitimate issues he felt should be the focus of the campaign.

The strength of Orton's conviction that the stock fraud issue should not be part of the campaign is demonstrated by the discussions Orton and Kinsel had on this subject. As a volunteer with the campaign, Kinsel was responsible for advising Orton on substantive legislative and political issues. He prepared position papers for Orton on a number of issues and assisted him in preparing for debates with Snow. As the only person associated with the Orton campaign who had any prior political experience, Kinsel served an important role.

Like many others, Kinsel held the view that Snow's involvement in the stock fraud scheme reflected on his integrity and character and, therefore, was an important issue for the campaign. In Kinsel's view, Orton had a responsibility to raise the issue. On several occasions, he urged Orton to make the issue part of his campaign. He and Orton had heated discussions about the subject, with Kinsel eventually telling Orton just 3½ weeks before the election that he would resign as a volunteer if Orton would not make Snow's involvement in the stock fraud scheme an issue in the campaign. Faced with the choice of

9704383095

losing the only experienced political hand on his campaign just 3½ weeks before the election or sacrificing his conviction that the election should not be decided on Snow's involvement in the stock fraud scheme, Orton stood by his conviction.

On October 10, 1990, Kinsel submitted a letter to Orton in which he resigned as a volunteer with the campaign. Kinsel wrote:

> I am hereby tendering my formal resignation, effective immediately, from your campaign. We have talked on many occasions about how to handle the information coming to light on Karl Snow's involvement in the Global/Unique case and related matters. I understand your refusal to raise this critical issue and the principles which lead you to this decision. However, I strenuously disagree with you on this. I strongly believe that you have an obligation to raise this issue which goes to the heart of his competence and worthiness to serve in congress.

Orton Deposition, Exhibit 1.

Orton recalls the circumstances surrounding Kinsel's decision to leave the campaign:

> And I told him that I had made my decision, I wasn't going to do it. He disagreed. He told me that it had to be raised, and I told him no, it couldn't be raised and not only was not going to raise it, but he could not raise it and Steve could not raise it, and Spencer could not raise it, and no one who had anything to do with my campaign could raise the issue, could comment on it, could have any involvement with it whatsoever.
>
> And he said, and what if we do?
>
> I said, I'll fire anybody who does.
>
> He said, well, you won't have to fire me, I'll quit.
>
> * * *
>
> I said, okay, quit volunteering. I will miss the substance because you are a bright intellect, you can help me on the substance of these issues; but if you can't stay and spend your time and effort doing that with me, then don't volunteer.

9704383099 96

Orton Deposition at 67-68.

C. Despite General Counsel's Unfounded and Unsupported Allegations, Orton's Refusal to Raise the Stock Fraud Issue was not Based on a Secret Understanding.

In a finding that is essential to its probable cause recommendation, General Counsel concludes that when Orton told Norton that he did not want Snow's involvement in the stock fraud scheme to be a campaign issue, Orton was actually secretly communicating precisely the opposite message: that it should be an issue in the campaign and that Norton should take on the responsibility for raising it. This counterintuitive theory of "secret silence" pervades General Counsel's entire analysis of this issue. Using leaps of inference that begin and end far outside the bounds of sound reasoning and fairness, General Counsel concludes that by refusing Norton's request to raise the stock fraud issue, Orton somehow caused Norton to act and, therefore, Orton coordinated with UEG from the start and is responsible for all of its acts.[2] The Orwellian nature of this reasoning is apparent from General Counsel's own description:

> Even Norton's activity was, from the outset, coordinate so as to impair the independence of any expenditures with which he became associated. Orton told Norton personally that he did not wish to use the issue of Snow's business ties in the campaign, thus giving Norton a sense of what kind of campaign Orton wished to conduct. [footnote omitted] Norton testified that he would not have engaged in the course of action he took had Orton's answer been different; as he put it, "My itch [would have been] scratched." [citation omitted] If Norton was the founder and driving force behind UEG, UEG was based on information about the campaign imparted to Norton by Orton.

---

[2] The logic of this position is questionable at best. Under General Counsel's theory, Orton would have been forced to raise an issue that he did not believe should be raised so that others would not do so. It should be noted that General Counsel does not indicate how Congressman Orton should have handled this situation. That might be because General Counsel's position would leave Orton with no alternatives.

9704383097

> Accordingly, UEG was coordinated with Orton's campaign from its inception. [footnote omitted].

General Counsel Brief at 29.

In addition to the fact that this reasoning doesn't make sense, disturbingly, General Counsel has omitted testimony from Norton that directly refutes the exact theory upon which General Counsel bases its finding of probable cause, that Orton did not mean what he said to Norton -- that Orton's refusal to raise the allegation against Snow was actually a silent, secret agreement, a wink or a nod. Norton denied any possibility of such an agreement.

> Q. When Mr. Orton declined to raise the issue or said he would decline to raise the issue was there anything in his tone of voice or in the inflection he gave to any certain words that would indicate that while he wasn't going to raise the issue it was okay by him if somebody else did?
>
> A. I would not characterize anything like that.
>
> Q. Would you characterize anything in his tone of voice or inflection to certain words that would be to the contrary?
>
> A. Now I don't understand that one.
>
> Q. Was there anything in Mr. Orton's tone of voice or inflection --
>
> A. Are you talking about a secret message or something like that to convey -- a wink, a nod type of thing?
>
> Q. I think I asked you that question and I think you answered it.
>
> A. The answer was no.

Norton Deposition at 30.

9704383099 8

This testimony from the only person who heard and saw Congressman Orton speak on that occasion directly refuted General Counsel's speculative conclusion that Orton did not mean what he said. Unlike General Counsel's evidence, this evidence is directly "on point."

D. The Record from General Counsel's Investigation Demonstrates The Absence of any Coordination Between UEG and Orton or the Orton Campaign.

UEG's entire existence lasted less than three weeks. Its activities consisted of a series of communications designated to publicize Snow's involvement in the stock fraud scheme. These communications were: (1) a press conference held by UEG on October 24, 1990, in which victims of the stock fraud scheme explained why Snow was to blame for the scheme; (2) the distribution of inserts in the October 30 edition of the Provo Daily Herald and other community newspapers containing articles about Snow's involvement in the stock fraud scheme; (3) two anti-Snow advertisements that UEG ran in the Provo Daily Herald on November 4 and 5; and (4) an anti-Snow radio advertisement that UEG ran on station KSL in Salt Lake City on November 5.

Significantly, General Counsel's probable cause recommendation fails to cite any evidence indicating any involvement by Orton or any member of his campaign in any of these activities. Indeed, the UEG members testified unequivocally that neither Orton nor anyone from his campaign had any involvement in these activities. This highly relevant testimony, all of which was omitted from the probable cause recommendation, could not be clearer about the complete absence of any coordination. Ken Murdock testified as follows:

> Q. Did you [and Orton] have any communication indirectly prior to the election concerning the activities of UEG?
>
> A. No.

9704383099

Q. Did you have any communication prior to the election with any member of Mr. Orton's campaign staff?

A. Not to my knowledge.

* * *

Q. In your discussions with the members of UEG or the brainstorming that you all had was there ever any discussion of how UEG's strategy complemented what the Orton campaign was doing?

A. No. no.

* * *

Q. I'm not asking whether Mr. Orton's name came up, but as you all determined what your strategy would be to defeat Snow and put forward the information about him that was damaging. In the course of your strategy decision making did anybody put forth the idea that well Orton is doing X so we should or shouldn't do Y or anything like that?

A. No. We had three weeks maximum. I don't remember what it was. Two to three weeks. We had our own -- we had a job to do and we had no time to be concerned with anything else. We didn't want to know what Republicans for Orton was doing. We had no idea what Bill was doing and what their activities were other than what was public. We were just doing what we had to do. The timing of anything was totally inconsequential.

* * *

Q. Are you aware of any indirect communications between any of the other members of the group and Mr. Orton?

A. No.

Q. Are you aware of any direct or indirect communications with anybody in the UEG group with anybody on the Orton campaign staff?

9704383100

A. No.

Murdock Deposition at 76-80 (emphasis added).

Scott Norton confirms that UEG was not concerned with coordinating its activities with Orton's campaign, stating that Orton's campaign strategies were "not germane to what we were doing." Norton Deposition at 67. He also confirms that there were no communications of any kind with Orton or his campaign about UEG's activities:

> Q. Did you ever communicate concerning the press conference, and I mean you personally, at any time with anyone from Bill Orton's campaign or his law office or anyone who resided at his residence?
>
> A. No.
>
> Q. To your knowledge did anyone else who was connected with UEG communicate concerning the press conference with Bill Orton?
>
> A. No.
>
> Q. To your knowledge did anyone else connected with UEG communicate concerning [the] press conference with anyone from the Orton for Congress staff or Mr. Orton's law practice or anyone who resided at his residence?
>
> A. No.
>
> * * *
>
> Q. Did you ever communicate about the advertisements reproduced in Exhibits 13 and 14 with anyone from Orton for Congress or Bill Orton's law practice or anyone that resides at Bill Orton's residence?
>
> A. No.
>
> Q. To your knowledge did anyone from UEG ever communicate about Exhibits 13 and 14 with Bill Orton?

9704383100 1

A. No.

Q. To your knowledge did anyone from UEG communicate regarding Exhibits 13 and 14 with anybody on Orton's campaign staff or in his law practice or who lived at his residence?

A. No. I will say we just cooked this up.

* * *

Q. I'll ask you again did you communicate concerning the radio advertisement with anyone from Orton for congress or Mr. Orton's law practice or anyone that resided at Mr. Orton's residence?

A. No, I didn't. This ad is a slap back at the Republican party. They say and the Republican leadership is helping Karl Snow cover up this lies. Stop the Republican Snow job. This is a slap back at what we're getting.

Q. To your knowledge did anyone else who was associated with UEG communicate concerning the radio advertisement with Mr. Orton?

A. No.

Q. And to your knowledge did anyone associated with UEG communicate regarding the advertisement with anyone on Mr. Orton's campaign staff or in his law practice or who resided at his residence?

A. No.

Norton Deposition at 101, 128, 131.

With all the relevant participants denying coordination with Orton or his campaign, General Counsel relies solely on what he describes as "circumstantial" evidence of "potential communications" between UEG and Orton or his campaign (General Counsel's Brief at 15-21) to argue that the participants are lying under oath -- that they are covering up the fact

9704383102

that Orton and his campaign were involved in coordinating UEG's activities. General Counsel bases his recommendation of probable cause entirely on this highly speculative circumstantial evidence of potential communications, consisting of: (1) telephone records showing that from October 17 through November 4, there were 19 telephone calls of interest placed to Orton's residence, his cellular phone, or Orton for Congress; (2) a clipping of a newspaper article discussing charges with handwritten notes in the margin and facsimile transmission information indicating that the clipping was telefaxed to an unidentified person from Orton's telefax machine; and 3) a telephone log entry prepared by Daniel Darger indicating that he may have spoken to someone named "Bill" on October 16 about a report relating to the stock fraud.

As demonstrated below, when viewed objectively, none of this evidence shows any cooperation or coordination between UEG and Orton or his campaign.

1. The Telephone Records are not Evidence of Coordination.

As mentioned earlier, General Counsel rests his conclusion that there was coordination between UEG and Orton or his campaign largely on telephone records showing that from October 17, 1990, through November 4, 1990, 19 telephone calls were placed between Kinsel's residence or Murdock's residence or Murdock's cellular phone, on the one hand, and Orton's residence or cellular phone or Orton for Congress, on the other hand. General Counsel concludes that the mere fact that these calls were placed establishes that Kinsel and Murdock must have discussed UEG activities with Orton or his campaign. However, as noted earlier, because it failed to obtain the telephone records before the Kinsel and Murdock depositions, General Counsel never gave Kinsel and Murdock the opportunity to discuss what occurred in these conversations. The affidavits from Kinsel and

9704383100 3

Murdock that accompany this brief establish that the conversations had nothing to do with UEG's activities.

Kinsel, whose telephone number appears in 12 of the 19 calls, had several conversations with the Orton campaign after he resigned on October 10, 1990, relating to work he had performed. Some of these conversations concerned issue papers that Kinsel was preparing when he resigned and that he did not finish until after October 10. Affidavit of Sheldon Kinsel ("Kinsel Affidavit"), ¶ 14, a copy of which is attached hereto as Exhibit "A." In addition, as the persons who had been primarily responsible for preparing and maintaining custody of position papers, Kinsel knew where files containing position papers were located, and had several conversations with campaign workers in which he assisted them in locating files and issue papers. Id., ¶ 14.[3]

As for conversations with Orton, Kinsel recalls that he and his wife attempted to reach Orton on two or three occasions to discuss whether it would be appropriate for them to attend an Orton campaign party on election night. Id., ¶ 15. It took more than one call to reach Orton. On one or two occasions, one of Orton's parents -- who were living with Orton in the weeks before the election -- answered the phone and talked briefly with Kinsel or his wife. Id., ¶ 15.[4]

Kinsel also recalls the Sunday, November 4, 1990 editions of newspapers that reported results of election prediction polls. He knew from similar polls that these papers

---

[3] Because he was not shown the telephone records during his deposition, Kinsel did not recall some of the conversations he had with Orton and the Orton campaign. After being provided with the records by Orton's counsel -- not by the FEC -- Kinsel was able to reconstruct the conversations.

[4] Of the six calls placed from Kinsel's residence, two of them were for three minutes and one was for five minutes. Based on the shortness of the calls, Kinsel believes that these are the calls in which he or wife attempted to each Orton but reached one of Orton's parents instead.

9704383104

had published while he was working for the Orton campaign that Orton did not receive these papers at his home. Accordingly, Kinsel called Orton early in the morning of November 4 to tell him about the poll results. In this conversation and in one or two other conversations the same day, Kinsel and Orton talked about the poll results and the best way for Orton to respond to questions about the polls. Id., ¶ 15.

Kinsel recalls further than on November 4, 1990, Snow ran a newspaper advertisement consisting of a photograph of Mr. Snow posing with his family and a photograph of Mr. Orton -- who was unmarried at the time -- by himself. The advertisement attempted to show that in contrast to Mr. Orton, Mr. Snow was a family man with family values. In the conversations that they had on November 4, Orton and Kinsel also discussed this advertisement and how Mr. Orton should respond to it. Id. ¶ 15.

Ken Murdock, whose home or cellular phone number appears in the eight of the telephone calls, recalls that during this period, as he had been for several years previously, Orton was on retainer to Murdock's Company and gave legal advice to Murdock, his wife Kristin and Murdock's company. In October, 1990, Murdock recalls he had conversations with Orton about tax matters, heavy financial losses experienced by the company during 1990, the potential sale of a majority of the company's stock, the decision whether to pay off a $500,000 tax exempt bond, and an ongoing litigation matter. Affidavit of Kenneth Murdock ("Murdock Affidavit"), ¶ 10, a copy of which has been attached hereto as Exhibit "B."

Additionally, the calls may have been placed or received by Kristin Murdock, Ken Murdock's wife. Not only did she have access to both telephones that were involved, during this time it is likely that Orton was consulting with Kristin regarding family trust matters.

9704383 1005

Murdock Affidavit, ¶¶ 12-13. Kristin was never involved in the decisionmaking of UEG. Id., ¶ 14.

In sum, the Kinsel and Murdock affidavits directly controvert the speculation of General Counsel and demonstrate that Orton and Orton for Congress had nothing whatsoever to do with UEG or any of its activities.

2. The Newspaper Article is not Evidence of Coordination.

General Counsel describes a clipping of a newspaper article about charges exchanged between Snow and UEG members as another "potential communication" between Orton and UEG. General Counsel's Brief at 18. However, the significance that General Counsel ascribes to this document, which was introduced as Norton Deposition Exhibit 10, is extremely vague. What is clear, however, is that under any reasonable analysis, this document does not constitute evidence of coordination between Orton and UEG.

The article appeared in the October 31, 1990 edition of the Salt Lake City Tribune. It is titled "Nielsen Backs Snow Despite Past Dealings," and discusses Republican Congressman Howard Nielsen, who was retiring from the seat for which Orton and Snow were running, backing Snow in the election despite Snow's involvement in the stock fraud scheme. The articles quotes Nielsen stating that Snow did not owe any apology to the people who attacked him on the stock fraud issue because everything Snow said about them (Snow called his detractors "polygamists and convicted felons") was true. In the margin of the article, someone wrote: "Nielsen is repeating and reaffirming Snow's allegations against Norton & Murdock by stating 'Everything he said is true.' SLANDER & DEFAMATION Repeated." At the top of the article is telefax information that reads "11/02/90 11:56 [redacted] William H. Orton." When he provided testimony to the FEC, Orton testified that

9704381006

the handwriting in the margin could be his and that he does not have any recollection of faxing this article to anyone. Schulzke, the person from whom the FEC obtained this copy of the article, could not recall how he came into possession of the article, but he does know that it was not faxed to him. See General Counsel Brief at 19.

This is all that is known about the article. There is no evidence that Orton provided UEG members with a copy of the article or that the article triggered a discussion between Orton and UEG members about UEG's activities. Indeed, Norton testified that to his knowledge, no one from UEG received a fax of this article from Orton. Norton Deposition at 109. There is no testimony or evidence obtained before, during, or after General Counsel's investigation that contradicts Norton's sworn testimony. All that is known is that the article was apparently sent or received by Orton's fax machine, and that the writing in the margin may be Orton's. This hardly suggests that Orton and UEG members were coordinating UEG's activities and expenditures. Moreover, even if it was Orton who wrote that Norton and Murdock were being slandered and defamed, his expression of that belief does not in any way suggest that he was coordinating with UEG.

3. Darger's Telephone Log is not Evidence of Coordination.

The final piece of circumstantial evidence that General Counsel claims could show potential coordination between Orton and UEG is an entry in Daniel Darger's telephone log for October 16 that, according to General Counsel, reads "Pc/Bill is person willing to make public comment about Bramble report." Below this entry, according to General Counsel, Darger wrote "Gather info and ship to Royce." According to General Counsel, Darger testified that he assumes "Bill" refers to Orton. Darger apparently testified further that, consistent with this note, he gathered information -- apparently about the stock fraud

9704383107

scheme -- and sent it to Royce Griffin, who was either a present or former employee of the Utah Securities Division. Darger stated that he had no recollection of discussing with Orton the idea of gathering information and sending it to Griffin. General Counsel Brief at 21.

General Counsel takes this evidence and combines it with evidence that Darger's phone log for October 19 contains Sheldon Kinsel's name and his phone log for October 25 contains Kenneth Murdock's name. General Counsel states further that Scott Norton's dayplanner entry for October 25 contains Griffins' name.

From this hodgepodge of facts, General Counsel somehow draws the following conclusion:

> [T]he combination of Daniel Darger's communication with Orton on October 16, the note he made on his phone log regarding Royce Griffin immediately underneath that regarding the communication with Orton, his communication with Kinsel three days later and with Murdock nine days later, and the subsequent appearance of Griffin's name in Norton's date book indicate the possibility of indirect coordination between Orton and UEG involving Darger as the middleman.

General Counsel Brief at 27-28 (emphasis added).

This confusing analysis rests on several flawed premises and assumptions. First, Darger was not associated with UEG, and there is no evidence at all that Darger was involved in coordinating or carrying out any of UEG's activities. Accordingly, any communications Orton may have had with Darger do not constitute communications with UEG and do not show any coordination by Orton with UEG.

9704383108

Second, the evidence does not even establish that Orton and Darger talked to each other on October 16. They cryptic entry, "P/c Bill," does not show that Darger and Orton spoke to each other on October 16, even if one assumes that "Bill" refers to Orton.

Third -- and most important -- there is no evidence at all to support the ultimate inference that General Counsel is apparently drawing: that Orton told Darger to talk to Kinsel and Murdock about the stock fraud issue or about providing information to the Utah Securities Division. To the contrary, evidence that General Counsel didn't cite shows that Murdock spoke to Darger not at Orton's suggestion, but at the suggestion of Darger's brother, John Darger. Murdock explains how his contact with Dan Darger on October 19 came about: "I told you earlier that I interviewed Darger, and I believe it's John Darger, in Salt Lake. I believe that he told me that I should talk to his brother about something to do with this that -- I don't recall if his brother had helped him in his involvement with Global Oil and that whole problem." Murdock Deposition at 72-73. Murdock recalls further that he spoke "briefly" with Darger, and that Darger "really didn't have anything." Id. In sum, Murdock's testimony about how he contacted Dan Darger and about his failure to obtain any meaningful information from him directly contradicts General Counsel's theory that Orton used Darger as a middleman to contact the UEG members and to influence their activities.

9704383009

ARGUMENT

In his Brief, General Counsel recommends a finding of probable cause to believe that certain violations have occurred. Black's Law Dictionary defines "probable cause" as "a reasonable ground for belief in the existence of facts warranting the proceedings complained of." As this argument section will demonstrate, General Counsel generally ignores the fruits

of his own labors borne through the deposition and investigative process and substitutes his highly speculative, cynical and strained reasoning to reach his obviously desired result. As discussed below, the wealth of evidence is against General Counsel's recommendations and his decision to ignore facts against his position and bolster circumstantial evidence by interpreting those facts in the most sinister and worst possible light makes a mockery of the probable cause standard which is applied by courts of law and requires objectivity as well as "a reasonable ground for belief."

9704383101O

I. UEG DID NOT COORDINATE EFFORTS WITH CONGRESSMAN ORTON'S CAMPAIGN.

The central legal issue of this MUR is whether the money that UEG expended to publicize Karl Snow's involvement in the stock fraud scheme constitutes independent expenditures under 2 U.S.C. § 431(17) or in-kind contributions under 2 U.S.C. § 441a(a)(1)(A). The Federal Election Campaign Act, as amended, defines independent expenditure as:

> an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate, or any authorized committee or agent of such candidate.

2 U.S.C. § 431 (17). General Counsel has recommended a finding of probable cause to believe that UEG's activities and/or expenditures were conducted in cooperation, coordination or consultation with Congressman Orton or Orton for Congress and therefore violated 2 U.S.C. § 441a(1) (1)(A) [improper contributions], and 2 U.S. § 434(b) [improper

reporting]. Therefore, if the FEC concludes that there is not probable cause or reason to continue on this allegation, both alleged violations regarding this issue must be dropped.

Despite taking numerous depositions, General Counsel's recommendation is contradicted by all the direct evidence that the FEC gathered during its investigation. The deposition testimony, including that of Congressman Orton and all persons associated with UEG, uniformly and unequivocally stated under oath that neither Congressman Orton nor anyone from his campaign ever coordinated, cooperated or consulted with UEG regarding any of UEG's activities. The witnesses did not testify that they were unsure or could not remember; instead they testified that not only was there no coordination, but that Congressman Orton actively opposed raising Snow's alleged involvement in the stock fraud scheme as a campaign issue. The evidence demonstrates that during the 1990 campaign, people repeatedly urged Congressman Orton to make Karl Snow's lies a campaign issue and that Orton refused to do so on every occasion. His resistance to raising this issue was emphatic; he stated on several occasions that if anyone from his campaign attempted to inject Snow's alleged involvement in the stock fraud scheme into the campaign, he would fire them immediately. Indeed, as General Counsel concludes, Congressman Orton's refusal to involve himself or his campaign in this issue led to a sharp disagreement with the only Orton campaign worker who had any prior political experience, Sheldon Kinsel, and caused Kinsel to resign from the campaign in protest just 3 ½ weeks before the election.

In recommending probable cause, General Counsel demonstrates distrust of the deposition process and questions the very ground tilled by his own investigation. Without expressly stating so, he concludes that Congressman Orton and all the persons who were associated with UEG are covering up their activities and did not testify truthfully. Such a

9704383101

conclusion is an outrage. General Counsel concludes that despite the uniform testimony that there was no coordination, Congressman Orton and his campaign worked secretly, silently and surreptitiously with UEG to publicize the stock fraud issue. In a normal setting, one would expect this broad dismissal of direct evidence to be supported by strong evidence to the contrary. That is not this case. General Counsel's recommendation of a finding of probable cause is not supported by testimony from anyone that there was coordination. Even after five years General Counsel cannot find even a single witness who said that Congressman Orton or his campaign was involved in any way in UEG's activities.

Instead, General Counsel bases his probable cause recommendation on circumstantial evidence that the FEC staff failed to investigate properly and fragile inferences from evidence. For example, the cornerstone of General Counsel's recommendation is a collection of telephone records showing that in the weeks leading up to the election, Congressman Orton and members of his campaign had several conversations with Sheldon Kinsel and Ken Murdock, two of the persons associated with UEG. In explaining his probable cause recommendation, General Counsel relies primarily on these records, stating that "[g]iven the number of calls and discussions and the importance of the activity to the participants there is probable cause to believe that coordination took place." General Counsel Brief at 28.

However, only a few pages before he reaches this conclusion, General Counsel concedes that the FEC staff failed to ask either Kinsel or Murdock any questions about these conversations. General Counsel explains weakly that the staff did not obtain the telephone records before they deposed Kinsel and Murdock, despite the fact that by the time of the depositions, the investigation of this matter was already more than four years

9704383102

old. Nevertheless, with absolutely no evidence to support such an inference, General Counsel freely infers that these conversations concerned UEG activities. In doing so, General Counsel closes his eyes to the facts and denies the only conclusion supported by the evidence: Namely, that no coordination took place.

Had the FEC staff questioned Kinsel and Murdock about these conversations, they would have learned that the conversations had nothing to do with UEG's activities. In the attached affidavit of Ken Murdock, Murdock explains what occurred in the telephone conversations.

Mr. Murdock's affidavit properly points out that most of the telephone calls were quite short, short enough where a caller would have little time to do more than engage in friendly conversation and leave a message. These calls, which were all between three and five minutes long, would certainly not be long enough for persons to engage in intricate political discussions, especially the type of nefarious plans in which General Counsel alleges UEG and Congressman Orton were engaged. Murdock Affidavit, ¶¶ 6-7. Murdock's affidavit also points out that the only telephone call listed by General Counsel which was of any significance at all was an October 25, 1990 telephone call from Congressman Orton's cellular telephone to Mr. Murdock's residence. It was most likely one twenty-five-minute telephone call. Id., ¶ 8. In an attempt to refresh his recollection regarding the subject of that telephone call, Mr. Murdock reviewed various business records from that period of time. Those records and his refreshed recollection strongly suggest that the telephone calls were made to Congressman Orton in conjunction with legal advice that he was giving to Mr. Murdock's company and his family. Id., ¶ 9. Mr. Murdock stated under oath in his affidavit, consistent with his deposition and the deposition testimony of all other deponents,

9704383101 3

that he specifically remembers that the actions of UEG were not discussed in these or any other telephone calls. Id.

What General Counsel does not realize is that for numerous years until his election, Congressman Orton was on retainer to Murdock's company and its employees on a variety of legal issues. Id., ¶ 10. During October 1990, Orton was giving both Murdock and his company advice on tax matters, heavy financial losses experienced by the company during 1990, the potential sale of the majority of tne company stock, the decision whether to pay off a $500,000 tax exempt bond, and an ongoing litigation matter. Id. Additionally, the record is clear that Congressman Orton was a friend of the family, and there is no evidence that the telephone call to Congressman Orton was even received by Mr. Murdock. Id., ¶ 12. It is likely that the telephone call was received by Mr. Murdock's wife, Kristin, who was also consulting with Orton on legal matters, and Kristin Murdock has never been involved in UEG's decisionmaking in any respect. Id., ¶ 14.

Mr. Kinsel's attached affidavit is equally compelling and instructive. Mr. Kinsel states "I am absolutely certain that I did not discuss UEG's activities during any of [the conversations listed in General Counsel's brief]. As I stated earlier, I deliberately made it a point not to discuss UEG activities with Mr. Orton or anyone from his campaign." Kinsel Affidavit, ¶ 13. Mr. Kinsel also goes on to explain that he did have communications with the campaign after he submitted his resignation but those communications concerned ad campaign projects that he did not complete until after he resigned. Mr. Kinsel's explanations of the telephone calls in his affidavit are consistent with both his and the other deponents' sworn deposition testimony. His affidavit further demonstrates the factually

9704383 1014

inaccurate nature of the allegations against UEG. In sum, the affidavits further establish that there was no discussion of UEG's activities in any of the conversations.

Equally suspect is the treatment of the evidence that Congressman Orton repeatedly refused to raise the stock fraud issue during the campaign. Logically, this evidence indicates that there was not coordination, because it shows that Congressman Orton did not want the stock fraud scheme to become a campaign issue. But General Counsel gives it precisely the opposite effect, transforming it into one of the cornerstones of the probable cause recommendation. He reasons that if Congressman Orton had agreed to raise the stock fraud issue, then UEG would not have raised it. Thus, the reasoning goes, by refusing to inject Snow's alleged involvement in the stock fraud scheme into the campaign, Congressman Orton was responsible for UEG doing so and was indirectly responsible for the establishment of UEG as an organization. This reasoning is strained and unsupported by the evidence.

In sum, as demonstrated in the discussion that follows, all the credible evidence relating to this matter establishes that there was never any coordination between UEG and Congressman Orton or his campaign and there is no basis for a finding of probable cause to believe that there was such coordination. Finally, if the commission votes to find probable cause, then the definition of consultation or coordination being utilized by the FEC is arbitrary and capricious. Such a definition is unconstitutional because it violates both UEG's First Amendment rights of engaging in political speech and fails to give reasonable notice of what is a violation of the statute.

9704383015

II. GENERAL COUNSEL'S NEWLY CREATED ALLEGATIONS REGARDING POTENTIAL VIOLATIONS OF 2 U.S.C. §§ 441b(a) AND 441f ARE UNTIMELY AND SHOULD BE DISMISSED.

In its July 19, 1995 brief, General Counsel recommends finding probable cause to believe that UEG violated 2 U.S.C. §§ 441b and 441f. In the nearly five year history of interviews, submissions and investigations, the July 1995 brief is the first time any mention has been made of the fact there may be potential wrongdoing regarding these two statutes. To notify UEG at this late date of those potential violations is an unfair denial of due process and violates the United States Constitution. Additionally, by attempting to fold those two potential violations into his recommendation finding probable cause, General Counsel has deprived UEG of the procedural safeguards that are established under the Act.

Shortly after the Complaint was filed in this matter, the Federal Election Commission mailed to Scott Norton, Treasurer of UEG, a document titled "Description of Preliminary Procedures for Processing Complaints Filed with the Federal Election Commission." That document outlines the numerous procedural safeguards that are afforded accused parties under the Act. Most notably, it details the numerous times that General Counsel reports to the Commission making a recommendation and the numerous times the respondent has the opportunity to attempt to persuade either General Counsel or the Commission to drop the charges. UEG has been afforded no such opportunities regarding potential violations of §§ 441b and 441f.

Examples of those opportunities abound. On November 24, 1992, the FEC mailed a letter to Scott Norton which described the Commission's vote on October 20, 1992 finding that there was "reason to believe [UEG] and you violated 2 U.S.C. §§ 433(a), 434(b), 441a(a) or alternatively 434(c), and 441d(a), provisions of the Act." There is no mention

9704383101 6

of the two newly created allegations. That same letter enclosed the Factual and Legal Analysis that went into the matter in some detail. Again, no mention was made of §§ 441b and 441f. In the November 24, 1992 letter, the FEC invited Mr. Norton to submit materials to General Counsel's office, which he ultimately did on January 2, 1993. He, of course, had no opportunity to refute the allegations that had not yet been made.

On December 16, 1994, the FEC again wrote Mr. Norton informing him of the decision in FEC v. NRA Political Victory Fund, 6 F.3d 821 (D.C. Cir. 1993) and that the Commission revoted to find reason to believe that UEG had violated the same five sections that were discussed in the November 24, 1992 letter. Again, no mention was made of §§ 441b and 441f.

As has been stated before, this proceeding has been languishing for almost five years. Throughout that time, numerous procedural phases and opportunities have passed by. Additionally, General Counsel has had an opportunity to pursue this matter by conducting investigations along the way. Throughout this entire proceeding, no mention has been made in any way of any potential violations of §§ 441b and 441f. To allow General Counsel to raise those allegations at this late date in the proceeding would be akin to going to trial in a criminal matter with no indictment and no arraignment.

If General Counsel wishes to pursue these allegations, it should file a complaint based on the facts of which it has become aware and take that complaint through the steps mandated by the Act. That way, UEG will have its opportunities for persuasion afforded under the Act. However, whether General Counsel chooses this approach or not, the allegations regarding 2 U.S.C. §§ 441b and 441f must be dismissed.

9704383017

III. UEG DID NOT KNOWINGLY ACCEPT ANY CONTRIBUTION FROM A CORPORATION.

In its brief, for the first time in this proceeding, General Counsel now argues that UEG somehow violated 2 U.S.C § 441b(a). Although General Counsel has failed to specifically identify the language that it alleges UEG violated, UEG assumes that General Counsel's allegations are directed at the following portion of the statute:

> It is unlawful for any national bank, or any corporation organized by authority of any law of Congress, to make a contribution or expenditure in connection with any election to any political office, or in connection with any primary election or political convention or caucus held to select candidates for any political office . . . or for any candidate, political committee, or other person knowingly to accept or receive any contribution prohibited by this section, . . .

2 U.S.C. § 441b(a) (emphasis added).

Thus, the critical question is whether UEG "knowingly" accepted or received a contribution by Peggy Fugal Advertising, even though UEG only thought it was working with Peggy Fugal, herself.

For a violation of § 441b to be "knowing," UEG must have been aware or have had some reason to have been aware that it was accepting corporate funds. In the dissent in U.S. v. Goland, 959 F.2d 1449 (9th Cir. 1993), Judge Pregerson explains that the conduct must be voluntary and intentional "not because of mistake or accident or other innocent reason." Id. at 1457 citing Federal Jury Practice and Instructions. Even assuming arguendo that UEG violated the statute, there is absolutely no evidence that it committed a knowing violation. Indeed, there is evidence to the contrary.

General Counsel's argument regarding this allegation centers around Peggy Fugal's testimony stating that Sherman and Jayson Fugal did not work on "creative things." During

9704383101 8

its investigation, General Counsel took numerous depositions, some of which UEG is still unaware.[5] Despite these numerous depositions, nowhere in its brief does General Counsel ever identify any evidence that UEG was aware or had reason to believe it accepted any corporate contribution. Indeed, General Counsel does not even allege that UEG or Scott Norton, as treasurer, ever "knew" that (1) Sherman and Jayson Fugal did no creative work for Peggy Fugal Advertising; (2) that Peggy Fugal discounted UEG's bill; and (3) that Peggy Fugal Advertising, which was never a corporation, was merely a "dba" for Fugal & Fugal Incorporated. Without proving these three facts, General Counsel's argument fails.

Additionally, nowhere in General Counsel's brief can General Counsel point to a single fact or piece of testimony demonstrating that UEG knew that Peggy Fugal Advertising was even connected with a corporation. Oddly, Ken Murdock was never asked in his deposition if he knew Peggy Fugal Advertising was a corporation. In his deposition, Scott Norton specifically stated, as is pointed out in General Counsel's brief, that "he had essentially no recollection of financial transactions between UEG and Peggy Fugal Advertising." General Counsel's Brief at 22-23. That lack of recollection should come as no surprise given General Counsel's five-year delay in prosecuting this action.

Third, there is no evidence that anyone at UEG was aware that Peggy Fugal had discounted her bill. When Peggy Fugal informed Scott Norton that Jayson and Sherman had given in-kind contributions of $1,000 and $800, respectfully, Scott Norton could just as easily have thought that Jayson and Sherman decided to forego some of their compensation

---

[5] General Counsel has the distinct advantage of being the only party in this proceeding who has access to the entire record, able to pick and choose what to reveal from the entire record. To date, UEG is aware of little more than the following depositions have been taken: Ken Murdock, Scott Norton, Bill Orton, Sheldon Kinsel, Daniel Darger and Peggy Fugal.

9704383019

or had chosen to pay Peggy Fugal Advertising cash money to pay UEG's bill which would then have been an "in-kind contribution."

Disturbingly, a quick review of the portion of Peggy Fugal's deposition that General Counsel entirely relies upon for this violation demonstrates that Peggy Fugal was essentially guessing when she answered counsel's question. General Counsel Brief 22-23. She stated that she didn't remember and "it looks like." Given the lack of documentary evidence, such testimony is not nearly enough to support a finding of probable cause.

Under FEC law, there is little question that there is a difference between what contributors and recipients are aware of in regard to donations. That is the rationale for a strict liability standard precluding corporations from giving money to a political campaign and a "knowing" standard governing campaigns receiving such contributions. While there is evidence in the record that Peggy Fugal was aware of the potential corporate nature of the donation, there is no evidence that supports General Counsel's conclusion that UEG knew, should have known, or had reason to believe that the $1,800 from Jayson and Sherman Fugal was corporate in its nature. In fact, General Counsel has not even proven that the donation was indeed corporate.

IV. UEG DID NOT KNOWINGLY ACCEPT A CONTRIBUTION MADE BY ONE PERSON IN THE NAME OF ANOTHER PERSON.

In its brief, for the first time in this proceeding, General Counsel alleges that UEG violated 2 U.S.C. § 441f which states:

> No person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution, and no person shall knowingly accept a contribution made by one person in the name of another person.

9704383102O

2 U.S.C. § 441f.

For a violation of § 441f to be "knowing," the party committing the violation must have been aware or have had reason to be aware of the nature of the activity that ultimately led to a violation. Again, in U.S. v. Goland, 959 F.2d 1449 (9th Cir. 1993), Judge Pregerson explains that the conduct must be voluntary and intentional "not because of mistake or accident or other innocent reason." Id. at 1457 citing Federal Jury Practice and Instructions). Even assuming arguendo that UEG violated the statute, there is absolutely no evidence that it committed a knowing violation. Indeed, there is evidence to the contrary.

Similar to the discussion of § 441b(a) above, General Counsel must support its recommendation for finding probable cause by demonstrating that UEG "knowingly" accepted a contribution made by one person in the name of another person. While that does not require General Counsel to prove that UEG was aware of the law, it does require General Counsel to prove that UEG had reason to believe that it might be accepting a contribution in the name of another. The logic is compelling. If UEG did not have reason to believe that a contribution was being made in the name of another, then UEG was "mistaken" as to the type of contribution it was accepting and thus, under United States v. Goland, UEG's violation was not knowing.

In its brief, General Counsel merely states that "Peggy Fugal testified that Sherman and Jayson Fugal could not have made any in-kind contributions in connection with the radio advertisement because they did no creative work for Peggy Fugal Advertising." General Counsel Brief at 30. Nowhere in the brief does General Counsel identify

9704383102 1

evidence that supports an allegation, or even allege that UEG "knowingly" accepted those contributions.

In what it believes to be support for its position, General Counsel cites no documentary evidence and only to the deposition of Peggy Fugal.[6] First, there is nothing in the cited testimony that supports a position that UEG knew or had reason to suspect the money was contributed by one person in the name of another. Second, in the very portion of that deposition cited by General Counsel, Ms. Fugal clearly states she doesn't remember what happened and that "it looks to me the bill was $3600 and I [donated] half of it and they paid me for half of it." General Counsel's Brief at 23. In sum, Peggy Fugal does not properly remember, Scott Norton has no recollection of the financial transactions and Ken Murdock was never asked about them during his deposition. Thus, there is no evidentiary support for General Counsel's position that UEG "knowingly" accepted donations in the name of another. Indeed, General Counsel has not even proven or established that Peggy Fugal or Peggy Fugal Advertising made donations in the name of another. Her deposition testimony does not go that far.

V. UEG'S REPORT OF RECEIPT AND EXPENDITURES WAS NOT DEFICIENT.

In its brief, General Counsel makes two allegations of wrongdoing in regard to UEG's report of receipts and expenditures. First, it alleges that UEG violated 2 U.S.C. § 434(b)(3)(A), which provides in pertinent part:

---

[6] The only portion of Peggy Fugal's testimony that is available to UEG to assist them in preparing this brief is that which is cited by General Counsel on page 23 of its brief. Unfortunately, UEG may never know whether Fugal gave testimony supporting UEG's position.

9704383102 2

> Each report under this section shall disclose the identification of each person (other than a political committee) who makes a contribution to the reporting committee during the reporting the period, whose contribution or contributions have an aggregate amount or value in excess of $200 within the calendar year, or in any lesser amount if the reporting committee should so elect, together with the date and amount of any such contribution;

2 U.S.C. § 434(b)(3)(A).

General Counsel alleges that instead of UEG's report identifying $1,800 as in-kind contributions coming from Sherman and Jayson Fugal, UEG should have reflected that they came from Peggy Fugal Advertising.

As discussed elsewhere, after taking numerous depositions and conducting a thorough investigation, General Counsel has come forward with no evidence suggesting that Mr. Norton or UEG could have ascertained that the in-kind contributions came from Peggy Fugal Advertising.

Second, General Counsel alleges that UEG violated 2 U.S.C. § 434(b)(6)(B)(i) which states in pertinent part:

> Each report under this section shall disclose for any other political committee, the name and address of each political committee which has received a contribution from the reporting committee during the reporting period, together with the date and amount of any such contribution.

2 U.S.C. § 434(b)(6)(B)(i).

Under this section, General Counsel alleges that UEG's expenditures were all in-kind contributions to Orton for Congress and they should have been reported as such instead of being reported as independent expenditures. That issue has been discussed ad nauseam elsewhere in this brief. In sum, despite an expensive and lengthy investigation and

9704383102 3

numerous pages of General Counsel's speculation as to secret pacts and messages, General Counsel can cite no evidence that supports the fragile theory that UEG and Orton for Congress were working in coordination with one another.

VI. GENERAL COUNSEL'S ALLEGATIONS REGARDING IMPROPER DISCLAIMERS ARE EITHER UNFOUNDED OR WORTHY OF MITIGATION.

All General Counsel's allegations regarding disclaimers on advertisements state that UEG violated 2 U.S.C. § 441d(a). That section states in pertinent part:

> Whenever any person makes an expenditure for the purpose of financing communications expressly advocating the election or defeat of a clearly identified candidate, or politics any contribution through any broadcasting station, newspaper, magazine, outdoor advertising facility, direction mailing, or any other type of general public political advertising, such communication--if not authorized by a candidate, an authorized political committee of the candidate, or its agents, shall clearly state the name of the person who paid for the communication and state that the communication is not authorized by any candidate or candidate's committee.

2 U.S.C. § 441d(a).

A. The Newspaper Insert Contained a Proper Disclaimer and Did Not Violate the Act.

On October 31, 1990, UEG ran radio ads on KSL Radio. On October 25, 1990, UEG distributed a flyer as an insert in the Provo Daily Herald. In subsequent days, they also distributed a flyer to other smaller town newspapers throughout the Third District. That flyer clearly displayed the following disclaimer, "This publication is the product of Utahns for Ethical Government, a non-partisan, independent, citizen group." The FEC should view this disclaimer as complying with Section 441d. Again, 441d states that the communication shall clearly state the name of the person who paid for the communication.

9704383102 4

It is undisputed that UEG was properly identified. What General Counsel is apparently arguing is that the disclaimer did not "state that the communication was not authorized by any candidate or candidate's committee."

The disclaimer stated that the publication was a product of a "non-partisan, independent, citizen group." The plain meaning of "non-partisan, independent" is a group which has no ties to either candidate. It would be difficult for a layman reading the disclaimer to not understand that it was not authorized by Orton for Congress or any committee of Orton for Congress. Additionally, the word independent contains strong connotations that the publication was not authorized by any political organization, party or candidate. Indeed, the use of both "non-partisan" and "independent" in the same sentence was redundant and overkill, specifically designed to demonstrate to the public that UEG and its publication of this flyer should not be linked to any political candidate or party.

B. While the Disclaimers Contained in Ads Placed in the Provo Daily Herald and on KSL Radio Did Not Comply Exactly With § 441d, the Effect is the Same as if they Did.

On November 2 and November 4, 1990, UEG ran print advertisements in the Provo Daily Herald. Both ads contained a disclaimer which stated "Ad paid for by Utahns for Ethical Government." This disclaimer clearly complies with the first provision of § 441d(a)(3) which states that disclaimers shall clearly state the name of the person who paid for the communication. What is not evident in these disclaimers is the second portion of the requirement which requires that it should state that the communication was not authorized any by any candidate or candidate's committee.

However, by the time these ads were run, Utahns for Ethical Government had become moderately famous. It had been attacked in an October 23 Karl Snow press

9704383102 5

conference. It had held a well-attended and well-publicized October 24 press conference of its own in which Scott Norton, spokesperson for UEG, informed the press that UEG was an independent group and should not be tied to Bill Orton, Orton for Congress or the democratic party in any way. Additionally, Karl Snow made a major issue out of attempting, unsuccessfully, to tie Scott Norton and UEG to Orton for Congress. This was the allegation that motivated UEG to engage in campaign activities after the initial insert had been run. UEG's continued activities also demonstrated its independent nature to the same audience that saw the disclaimers. Additionally, the ads in the Provo Daily Herald went to a subset of the exact population who just one week earlier [October 25] read UEG's disclaimer stating that it was a "non-partisan, independent" citizen's group.

While this imputed knowledge that UEG was independent and not tied to any campaign is not a defense to the lack of proper disclaimer, the knowledge mitigated the effect of the absence of the second portion of the disclaimer and the proposed penalty should be mitigated as well.

VII. FILING ITS STATEMENT OF ORGANIZATION NINE DAYS LATE WAS, AT MOST, A MINOR VIOLATION OF THE ACT.

General Counsel has also alleged that UEG violated 2 U.S.C. § 433(a) by filing its statement of organization nine days late. Section 433(a) states:

> Each authorized campaign committee shall file a statement of organization no later than 10 days after designation pursuant to section 432(e)(1) of this title. Each separate segregated fund established under the provisions of section 441(b)(b) of this title shall file a statement or organization no later than 10 days after establishment. All other committees shall file a statement of organization within 10 days after becoming a political committee within the meaning of section 431(4) of this title.

2 U.S.C. § 433(a).

9704383102 6

UEG admits that it filed its Statement of Organization nine days after the 10-day window provided for in 2 U.S.C. § 433(a). However, there are many mitigating circumstances associated with this technical violation. First, the deposition testimony of Scott Norton is clear and unrefuted that neither Norton nor Murdock knew of the Federal Election Commission or its requirements until Norton was informed by a member of the press. Norton Deposition at 133-34. In fact, the daytimer notes of Scott Norton evidences that out of an abundance of caution, he telephoned the Utah State Lieutenant Governor's office to inquire about any potential election laws that might apply to UEG. The entries are on a page titled Saturday, October 20, which was five days before UEG had spent or raised $5,000. See Deposition Exhibit No. 2, Scott Norton Deposition. The notation says "Monday [which most likely refers to October 22] Thayre [redacted] The phone number for the election specialist at the Office of the Utah Lieutenant Governor is [redacted] In 1990, the Lieutenant Governor's election specialist was Thayre Dennis. Additionally, Mr. Norton's deposition testimony is consistent with the entry in his daytimer in that he testified that he telephoned the Lieutenant Governor's office and was informed by a women there that UEG did not need to file any reports. Norton Deposition at 83.

According to Mr. Norton's deposition, he was not aware of the FEC until Tuesday, November 6, 1990, election day. On his daytimer page for election day he has the name of the Federal Election Commission, the telephone number [(202) 376-5140] and then the 1-800 number for informational specialists at the FEC. Next to that number is the name Janet Hess, who still works for the FEC as an informational specialist. At the bottom of the page are the following entries:

9704383102 7

Start of organization FEC Form 1
Form 3X
Schedule E
House Office of Clerk

The entries in Mr. Norton's daytimer are entirely consistent with his deposition testimony. In the deposition he testified that he did not become aware of the FEC until election day and upon that awareness, telephoned them immediately. Norton Deposition at 133. This is also consistent with the deposition testimony of Mr. Murdock who also said that he did not know of the Federal Election Commission until Mr. Norton informed him of the same.

While it is clear that UEG filed its Statement of Organization nine days late, there Mr. Norton's testimony that he attempted to comply with federal election law and was misled by the election officer at the State of Utah is unrefuted. Mr. Norton also filed UEG's Statement of Organization within eight days of finding out about the Federal Election Commission, even though he had to gather much information and wait for the FEC forms to arrive from Janet Hess. The fact that he filed the Statement of Organization within eight days of his initial telephone call to Janet Hess demonstrates the type of diligence that is required and encouraged by the very statute that UEG is alleged to have violated. UEG respectfully requests that the violation be dropped or, in the alternative, be severely mitigated due to Mr. Norton's diligent reporting efforts.

CONCLUSION

Based upon the foregoing, UEG respectfully requests that the FEC reject General Counsel's bold and cynical speculation, find no probable cause and dismiss the allegations regarding 2 U.S.C. §§ 441a(a)(1)(A), 441b(a), 441f, 434(b)(3)(A), 434(b)(6)(B)(i) and

9704381028

441d(a). Additionally, UEG respectfully requests severe mitigation of penalties for any violations for which the FEC finds probable cause, if any, but most particularly, 2 U.S.C. § 433(a). The political and election reporting inexperience of the UEG members, their intent, their diligence in complying with federal election law and the gravity of their alleged violations call for leniency and mitigation.

RESPECTFULLY SUBMITTED this 18th day of August, 1995.

J. MICHAEL BAILEY
of and for
PARSONS BEHLE & LATIMER
Counsel for Utahns for Ethical Government
and Scott Lee Norton, as Treasurer

9704383102 9

CERTIFICATE OF SERVICE

I hereby certify that on this 18th day of August, 1995, I caused to be sent by Facsimile, prior to 5:00 p.m. EST, a true and correct copy of the foregoing **BRIEF OF UTAHNS FOR ETHICAL GOVERNMENT AND SCOTT LEE NORTON, AS TREASURER,** to:

Lawrence J. Calvert
Office of General Counsel
Federal Election Commission
999 East Street N.W., Room 657
Washington, D.C. 20463
(202) 219-3923

Additionally, ten (10) copies of the foregoing Brief were sent by Federal Express on this same day to:

Secretary of the Commission
Federal Election Commission
999 East Street N.W.
Washington, D.C. 20463

Three copies of the foregoing Brief were sent by Federal Express to:

Lawrence J. Calvert
Office of General Counsel
Federal Election Commission
999 East Street N.W., Room 657
Washington, D.C. 20463



9704383103O

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of William H. Orton Orton for Congress and Jennifer Wilson, as Treasurer	MUR 3192

Sheldon Kinsel, being first duly sworn, deposes and states as follows:

1. The information contained in this affidavit is based on my personal knowledge.

2. I am a resident of Heber, Utah. I am self-employed as a natural resources policy consultant.

3. From approximately mid-August 1990 until October 10, 1990, I worked as a volunteer for the Orton for Congress campaign. Prior to working for the Orton campaign, I had never met Bill Orton. I decided to volunteer for Mr. Orton's campaign after learning about Mr. Orton and his positions on various political issues through media reports.

4. Prior to volunteering for the Orton campaign, I had worked for other political campaigns as a volunteer or a paid staff member. My experience included working for the Wayne Owens for Congress campaign in Utah in 1972, the Carter for President campaigns in 1976 and 1980, and the Brian Moss for U.S. Senate campaign in Utah in 1988. I also worked on campaigns for municipal offices in Heber City, Utah, in 1987 and 1989.

9704383103 1

5. As a volunteer for the Orton campaign, my activities included advising Mr. Orton and the campaign on issues and strategies. I prepared issue papers for Mr. Orton on several substantive, legislative issues and assisted Mr. Orton in preparing for campaign debates. The issues that I researched and for which I prepared issue papers included several issues relating to natural resources and wilderness, the probable revenue potential of a transfer tax that Mr. Orton was advocating, defense spending, education spending, governmental reorganization, and issues relating to the Mid-East, among others.

6. During the entire period that I worked for the Orton campaign, I was always a volunteer and was not paid for any of my services. I have been told that a disclosure report filed by Orton for Congress shows that the Orton campaign paid me a consulting fee of $350 on October 8, 1990. The report is incorrect. The payment I received on October 8, 1990, was to reimburse me for expenses I had incurred in performing my volunteer activities on behalf of the campaign for which I submitted records and receipts. It was not a consulting fee. The expenses I incurred consisted primarily of charges for telephone calls and travel costs -- primarily car mileage -- I incurred driving to debates and campaign events. These expenses also included copying costs I paid at libraries while I was researching campaign issues and preparing issue papers.

7. After I began performing volunteer work for the campaign, I read reports in the media that Karl Snow had been involved in a stock fraud scheme involving Michael Strand, who had twice before been convicted of federal crimes relating to penny stock transactions. I felt strongly that the Orton campaign should make Mr. Snow's reported involvement in this scheme an issue in the campaign, and I urged Mr. Orton to do so. Mr. Orton responded by stating that he did not think the issue was appropriate for the campaign, and that he did not want the public's attention diverted from the substantive issues of the campaign to his opponent's character. He said he would not inject the issue

9704383 1032

into the campaign, and that he would fire anyone on his campaign who attempted to raise the issue. It was clear to me that Mr. Orton did not want the issue pursued. I did not interpret this as a suggestion that, while Mr. Orton would not raise the issue, someone else should pursue it.

8. I strongly disagreed with Mr. Orton's refusal to raise the stock fraud issue. I felt that the issue demonstrated Mr. Snow was unfit to hold office, and that the Orton campaign had a responsibility to bring the issue before the voters.

9. Because of my disagreement with Mr. Orton's refusal to raise the stock fraud scheme as a campaign issue, I resigned from my volunteer position with the Orton campaign on October 10, 1990. In a letter I wrote to Mr. Orton on that date, I explained that I was resigning because of my disagreement with his refusal to allow his campaign to focus on Mr. Snow's reported involvement in the stock fraud scheme. When I resigned, I was in the middle of completing several issue-related papers and briefings that I was preparing for the campaign. Although my day-to-day work on the campaign ended on October 10, I did continue the small amount of work that was necessary to complete these projects.

10. In the weeks following my resignation from the Orton campaign, I continued carrying out responsibilities associated with our small business and also worked at various times with Kenneth Murdock, Scott Norton, and Eric Schulzke who had formed a group that became known as Utahn's for Ethical Government ("UEG"). UEG's primary purpose was to publicize the issue of Mr. Snow's involvement in the stock fraud scheme by reprinting articles that Mr. Schulzke had written for student newspapers as inserts in newspapers with broader circulation.

9704383103

11. In the three-and-a-half weeks that elapsed from the time I resigned from the Orton campaign until the election, I never discussed any of UEG's activities with Mr. Orton or anyone else from his campaign. I knew that Mr. Orton was opposed to injecting the issue of Karl Snow's involvement in the stock fraud scheme into the campaign, and, that if I or anyone else wanted to do so any such efforts had to be truly independent. For this reason, I did not discuss UEG's activities with Mr. Orton or anyone on his campaign. Knowing Mr. Orton's opposition to raising this issue, I also did not want his campaign to have even an appearance of being associated with UEG's activities and, therefore, I deliberately did not discuss any of UEG's activities with Mr. Orton or anyone from his campaign. To this day, I have never discussed UEG's activities with Mr. Orton in any detail.

12. I have seen copies of telephone records showing that in the period from October 17, 1990, through November 4, 1990, one telephone call was placed from my residence to Orton campaign headquarters, four calls were placed from Orton campaign headquarters to my residence, and seven telephone calls were placed from my residence to Mr. Orton's residence. When I gave testimony to the FEC, I was not shown the telephone records that list these conversations, and I was not asked any questions about the conversations.

13. I am absolutely certain that I did not discuss UEG's activities during any of these conversations, and that I never discussed UEG activities with Mr. Orton or anyone from his campaign.

14. While I do not recall the precise subjects I discussed in the telephone conversations with Orton campaign headquarters, I did have several communications with people working on the campaign after I submitted my resignation on October 10. These

9704383 1034

communications concerned campaign projects that I did not complete until after I resigned. Some of these conversations are undoubtedly reflected in the telephone records. In addition, after I resigned, I talked to people working on the campaign on several occasions to assist them in locating issue papers and files that I had prepared while I was working on the campaign. It is likely that some of the conversations reflected in the telephone records involved me telling campaign workers where to find files and issue papers I had prepared.

15. Of the telephone calls placed from my residence to Mr. Orton's residence, two of them were for three minutes and one was for five minutes. These calls were placed by either me or my wife. At different times, as I recall, my wife and I attempted to reach Mr. Orton to discuss whether it would be appropriate for us to attend an Orton campaign party on election night. If we were to attend, we anticipated that we might have had to spend the night in Provo, and this would have required us to have employees at the day care center we were running at the time cover for us on the morning after the election. Accordingly, on several occasions, as I recall, either my wife or I tried to reach Mr. Orton to discuss this issue. Given the length of the calls that were for three minutes and for five minutes, it is likely that my wife or I reached someone other than Mr. Orton or his answering machine when we placed the calls. Mr. Orton's parents sometimes stayed with him in the weeks before the election. There may have been at least one or two occasions where one of Mr. Orton's parents answered the phone when Mr. Orton was not home. On these occasions, it would be likely that my wife or I talked briefly with his parents.

As for the remaining telephone calls, the telephone records show that three calls were placed from my residence to Mr. Orton's residence on November 4, 1990. When I gave testimony to the FEC, I did not recall conversations with Mr. Orton concerning

9704383 1035

subjects other than whether I would attend the election night party. However, upon seeing the records of these November 4 calls, I recall that the Sunday, November 4, 1990, editions of the Salt Lake Tribune and Deseret News reported the results of election prediction polls that showed Mr. Orton cutting into Mr. Snow's lead. I knew from similar polls that these papers had published while I was working for the Orton campaign that Mr. Orton did not receive these papers at his home. Accordingly, I called him early in the morning on November 4 to tell him about the poll results. In this conversation and in one or two other conversations on the same day, we talked about the poll results and the best way for him to respond to questions about the polls.

I also recall that in the November 4, 1990 edition of the Utah County Journal, Mr. Snow ran a newspaper advertisement consisting of a photograph of Mr. Snow posing with his family and a photograph of Mr. Orton -- who was unmarried at the time -- by himself. The advertisement attempted to show that in contrast to Mr. Orton, Mr. Snow was a family man with family values. To the best of my recollection, in the conversations that we had on November 4, Mr. Orton and I discussed this advertisement and how Mr. Orton should respond to it.

16. I understand that the FEC staff has concluded that the calls I placed to Mr. Orton on November 2, 3, and 4 are evidence that I was coordinating UEG expenditures and activities with Mr. Orton. As I stated earlier, I have to this day never discussed UEG's activities with Mr. Orton in any detail. I never discussed them with him during the campaign. Moreover, by the time of these calls, I was not directly involved in the few UEG activities still ongoing, so there was no coordination that I could have done. To the best of my recollection, I was either not involved at all or had very little involvement with the newspaper advertisements that UEG ran in the Provo Daily Herald on Sunday, November 4, 1990 and Monday, November 5, 1990. In addition, I recently

9704383036

called the Daily Herald and was informed that under the operating procedures now, and to the best recollection of the staff, under the procedures in place then, the paper would have required the advertisements to be submitted for publication no later than noon on November 2. All the telephone calls listed in the records for November 2-4 were placed after that time.

17. To the best of my recollection, I also was either not involved at all or had very little involvement with the radio advertisement that UEG ran on station KSL in Salt Lake City on Monday, November 5, 1990. I recently contacted KSL and learned that under the station's operating procedures, it is generally required that radio advertisements that are to run on a Monday must be submitted by the preceding Friday. Accordingly, it is likely that all the telephone calls listed in the records for November 2-4 were placed after UEG submitted the advertisement to KSL.

18. In sum, at no time did I coordinate or discuss any UEG activities with Mr. Orton or anyone from the Orton campaign.

9704383103 7

Executed on August 15, 1995.

Kit Sheldon Kinsel

Sheldon Kinsel

Sworn and subscribed to before me:

C. Booth Wallentine

Notary Public



My Commission expires: 2-13-96

9704383 10038

BEFORE THE FEDERAL ELECTION COMMISSION

* * * * * * * *

In the Matter of Utahns for Ethical Government and Scott Lee Norton, as treasurer	)	MUR 3192 **AFFIDAVIT OF KENNETH MURDOCK**

* * * * * * * *

STATE OF UTAH)
: ss
COUNTY OF UTAH)

I, KENNETH MURDOCK, after being duly sworn, hereby declare and state as follows:

1. I am currently the Chairman of the Board of Murdock Madaus Schwabe. In October 1990, I was Chairman of the Board of Murdock Healthcare.

2. In 1990, I joined with others to form Utahns for Ethical Government ("UEG"). My purpose for being involved in the organization was to expose and make the public aware that Mr. Karl Snow was involved in shady business dealings and had lied to the public about his involvement.

3. I have reviewed General Counsel's July 19, 1995 Brief in this matter, and, in particular, have reviewed the entries on page 16 of the brief that represent telephone calls made either to or from my cellular phone or residence from October 18 to 25, 1990.

4. When I was deposed by the Office of General Counsel of the Federal Election Commission, I was not informed of or shown any

9704383039

telephone records that list these conversations and counsel did not discuss any of the listed conversations with me.

5. My review of General Counsel's summary of those telephone calls has refreshed some recollection of the calls in the summary.

6. Three of the eight telephone calls listed were three minutes and one other call was only five minutes.

7. Although I do not recall the specific subjects that were discussed during those telephone calls, the calls appear to be of a duration where the caller would have had little time to do more than engage in friendly conversation and leave a message.

8. The only telephone call listed in the brief which is over eight minutes is an October 25, 1990 telephone call from Congressman Orton's cellular telephone to my residence. It appears as two telephone calls but was most likely one 25 minute telephone call during which the call appears to have been disconnected.

9. In an attempt to identify the specific subjects of that telephone call, I have reviewed various business records from that period of time. Both those records and my refreshed recollection strongly suggest that the telephone calls were made to Congressman Orton in conjunction with legal advice that he was giving to Murdock Healthcare or my family. I specifically remember that the actions of UEG were not discussed in these or any other telephone calls listed on page 16.

10. For numerous years until his election, Congressman Orton was on retainer to Murdock Healthcare consulting with me, Murdock Healthcare, and its employees on a variety of legal issues. During

9704383104 0

October, 1990, he was giving me and Murdock Healthcare legal advice on tax matters, heavy financial losses experienced by the company during 1990, the potential sale of a majority of the company's stock, the decision whether to pay off a $500,000 tax exempt bond, and an ongoing litigation matter.

11. All of the eight listed telephone calls were either from my cellular telephone or to my residence.

12. During this period of time, my wife Kristin sometimes used my cellular telephone and, of course, had access to the telephone at our residence.

13. During this period of time, it is also likely that Congressman Orton was consulting with Kristin and me regarding family trust matters.

14. Kristin has never been involved in the decision-making of UEG in any respect.

15. Although I do not specifically recall the subject matter of the one telephone call over ten minutes, it was most likely regarding one of the many legal issues listed above that Congressman Orton was working on for me at that time.

16. In summary, never at any time did I coordinate the expenditures or activities of UEG with Congressman Orton or representatives of his campaign.

9704383-1041

Dated this 15th day of August, 1995

Kenneth Murdock

SUBSCRIBED and SWORN to before me this 15th day of August, 1995.

NOTARY PUBLIC
Residing at: Springville, Ut

My Commission Expires:

4-4-99

NOTARY PUBLIC
GLENDA OSBORN
10 Mountain Springs Parkway
Springville, UT 84663
My Commission Expires
April 4th, 1999
STATE OF UTAH

9704383 10042

FISHER, SCRIBNER, MOODY & STIRLAND

A Professional Corporation
Attorneys and Counselors at Law
2696 N. University Ave., Suite 220
Provo, Utah 84604

THOMAS J. SCRIBNER
DARWIN C. FISHER*
T. MCKAY STIRLAND*
DONALD E. MCCANDLESS

OF COUNSEL
J. GRANT MOODY*

Telephone: (801) 375-5600
Facsimile: (801) 375-5607
Also admitted in Washington* Arizona* and Oregon*

August 18, 1995

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
AUG 21 11 21 AM '95

Secretary of the Commission
999 E Str., N.W. Rm 657
Federal Election Commission
Washington, DDC 20463

RE: **MUR 3192**
Fugal & Fugal, Inc. &
Peggy Fugal, as an officer

Dear Secretary:

Enclosed are ten copies of the Reply Brief of Fugal & Fugal, Inc. in response to the Brief of the General Counsel in this matter. Also enclosed are three additional copies of the Brief which we would appreciate your forwarding to the Office of the General Counsel.

Thank you for your assistance in this regard.

Sincerely,

FISHER, SCRIBNER, MOODY & STIRLAND, P.C.

THOMAS J. SCRIBNER

TJS:mel
Enclosures

9704383104 3

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
Jun 21 10 46 AM '95

BEFORE THE FEDERAL ELECTION COMMISSION

In the matter of	)	
	)	
Fugal & Fugal, Inc.	)	MUR 3192
and Peggy Fugal,	)	
as an officer	)	

REPLY BRIEF

COMES NOW Fugal & Fugal, Inc. and Peggy Fugal, as an officer, by and through counsel of record, and submits this reply brief to General Counsel's Brief as follows:

ARGUMENT

From the beginning, respondent has admitted factually what has occurred. There has been no attempt at cover up. Further, the position has never changed. It was admitted in answers to interrogatories, in a letter from Peggy Fugal, and in the deposition taken of Peggy Fugal that Peggy Fugal:

a. personally performed the production, placement and payment of the advertisement in question;

b. had been attempting to collect a six-year-old debt for advertising services from Mr. Snow, to which she believed he had slandered her and her good name in denying the debt;

c. believed she was not getting a fair opportunity to rebut Mr. Snow's accusations in the press and so purchased the advertisement;

d. had no idea at the time the ad was purchased that such action might be in breach of any federal regulations and had no

9704383104

idea of any restrictions in opposing a candidate. As soon as she was made aware of the requirements she made every effort to comply and cooperate with the commission;

e. even though the decision to place the ad was a personal one, the nature of her business as an advertising agency and its relationship with the local newspaper, she believed the actual check for the ad ran through the business, a Utah corporation. This amount was repaid the corporation from personal funds.

Because these facts are not in dispute, and have been admitted since December, 1990, respondent sought for pre-probable cause conciliation, in an effort to resolve this matter simply and economically; that request was denied. After completing its investigation, which included the taking of Peggy Fugal's deposition, no new information was discovered, except some evidence that a form, not filled out nor viewed by Peggy Fugal prior to the deposition, listed in-kind contributions in the name of her husband and son. As to that evidence, the deposition is clear that Peggy Fugal did not remember the transaction and was only guessing as to its nature or explanation.

Respondent admits performing the acts accused of, yet explains that her motivation was to counter Mr. Snow's slander and get her side of the story in the newspaper. She did not believe the ad came under F.E.C. guidelines and believed she was protected by her first amendment right to freedom of speech. These facts show quite clearly that Peggy Fugal neither <u>knowingly</u> nor <u>willingly</u> violated the Federal Election Campaign Act. Interestingly, some of the best evidence of this comes from the complaint itself, where Mr.

9704383104 5

Bradshaw states "Miss Fugal states she does not need to register because she was only opposing Mr. Snow, not supporting Mr. Orton." It is obvious from this quote, as well as the actions of Peggy Fugal, that she did not know or understand what the statute was, what was regulated, or that she had done anything incorrect. She was not an experienced politician.

It is certainly arguable that the Act was not designed to attack innocent mis-steps such as occurred in this case, but rather to police intentional and willful violations by those whose abuse of the election system may compromise the integrity of our representative government. Obviously, Congress saw fit to require knowledge and wilfulness of the violations as elements to be proven before penalties can be imposed. These elements are missing by the undisputed evidence of the case. Even if it is determined that the violations occurred, respondent's actions in respect to the cooperation given, and efforts to quickly resolve the matter, together with the analysis above, should serve to mitigate any penalties assessed.

DATED this 18 day of Aug., 1995.

FISHER, SCRIBNER, MOODY & STIRLAND, P.C.

By: _____
THOMAS J. SCRIBNER
Attorneys for Respondent

9704383104 6

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of William H. Orton Orton for Congress and Jennifer Wilson, as Treasurer	MUR 3192

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
'95 JUL 21 8 07 AM

BRIEF OF WILLIAM H. ORTON, ORTON FOR CONGRESS, AND JENNIFER WILSON AS TREASURER FOR ORTON FOR CONGRESS

I. Introduction

This matter arises from a complaint filed with the Federal Election Commission in November 1990 alleging that Congressman William H. Orton, Orton for Congress, and Jennifer Wilson as treasurer for Orton for Congress ("Respondents") violated the Federal Election Campaign Act of 1971 ("the Act") during the 1990 election for the United States Representative from the Third Congressional District of Utah.

In a brief dated July 19, 1995, the FEC General Counsel recommends that the Commission find probable cause to believe that Congressman Orton and Orton for Congress coordinated the political activities of Utahns for Ethics in Government ("UEG"), a group formed in the last few weeks of the 1990 campaign for the purpose of publicizing Republican candidate Karl Snow's alleged involvement in a penny stock fraud scheme. The General Counsel claims that this alleged coordination stripped UEG expenditures of their independent status under campaign expenditure laws. Accordingly, he recommends that the FEC find there is probable cause to believe that Congressman Orton violated 2 U.S.C. § 441a(f) and that Orton for Congress and

9704383104 7

Jennifer Wilson as treasurer for Orton for Congress violated 2 U.S.C. §§ 434(b) and 441a(f).

The General Counsel's recommendation is flatly contradicted by all the direct evidence that the FEC gathered during its extensive investigation of this matter. The people who gave testimony during the investigation, including Congressman Orton and all persons associated with UEG, uniformly and unequivocally stated under oath that neither Congressman Orton nor anyone from his campaign ever coordinated any of UEG's activities. These witnesses testified that not only was there no coordination, but that Congressman Orton actively opposed raising Snow's alleged involvement in the stock fraud scheme as a campaign issue. The evidence shows that during the 1990 campaign, people repeatedly urged Congressman Orton to make this a campaign issue and that he refused to do so on every occasion. His resistance to raising this issue was emphatic; he stated on several occasions that if anyone from his campaign attempted to inject Snow's alleged involvement in the stock fraud scheme into the campaign, he would fire them immediately. Indeed, as the General Counsel himself concludes, Congressman Orton's refusal to involve himself or his campaign in this issue led to a sharp disagreement with the only Orton campaign worker who had any prior political experience, Sheldon Kinsel, and caused Kinsel to resign from the campaign in protest just 3 1/2 weeks before the election.

In recommending a finding of probable cause, the General Counsel casts a cynical eye at all of this testimony. Indeed, his conclusions from the evidence are truly fantastic. Without expressly stating so, he concludes that Congressman Orton and all the persons who were associated with UEG are covering up their activities and did not testify truthfully. There is no other way the General Counsel could support his recommendation of probable cause. He concludes that despite the uniform testimony that there was no coordination, in reality, Congressman Orton and his

9704383104 8

campaign worked closely and surreptitiously with UEG to publicize the stock fraud issue. In the normal course, one would expect this broad dismissal of direct evidence to be supported by strong evidence to the contrary. But that is undeniably not the case here. Strikingly, the General Counsel's recommendation of a finding of probable cause is not supported by testimony from anyone that there was coordination. The General Counsel cannot cite even a single witness who said that Congressman Orton or his campaign was involved in UEG's activities. Nor does the General Counsel cite any documents that establish coordination.

Instead, the General Counsel bases his probable cause recommendation on circumstantial evidence that the FEC staff failed to investigate properly and inferences from evidence that do not make any sense. For example, one of the cornerstones of the General Counsel's recommendation is a collection of telephone records showing that in the weeks leading up to the election, Congressman Orton and members of his campaign had several conversations with Sheldon Kinsel and Kenneth Murdock, two of the persons associated with UEG. In explaining his probable cause recommendation, the General Counsel relies primarily on these records, stating that "[g]iven the number of calls and discussions and the importance of the activity to the participants there is probable cause to believe that coordination took place." General Counsel's Brief at 25.

Incredibly, only a few pages before he reaches this conclusion, the General Counsel concedes that the FEC staff failed to ask either Kinsel or Murdock any questions about these conversations. He concedes that the staff did not obtain the telephone records before they deposed Kinsel and Murdock, despite the fact that by the time of the depositions, the investigation of this matter was already more than four years old. Nevertheless, the General Counsel freely infers that these conversations concerned UEG activities. In doing so, he attempts to turn Congressman Orton and

9704383104 9

his campaign into the victims of a weak investigation, straining the boundaries of due process and basic fairness.

Had the FEC staff questioned Kinsel and Murdock about these conversations, they would have learned that the conversations had nothing to do with UEG's activities. In affidavits that are being submitted with this brief, Kinsel and Murdock explain what occurred in the telephone conversations. These affidavits establish that there was no discussion of UEG's activities in any of the conversations. Indeed, Mr. Orton also testified that none of these conversations involved discussions of UEG's activities. Transcript of William H. Orton ("Orton Tr.") at 119-129.

Equally astonishing is the General Counsel's treatment of the evidence that Congressman Orton repeatedly refused to raise the stock fraud issue during the campaign. Logically, this evidence indicates that there was not coordination, because it shows that Congressman Orton did not want the stock fraud scheme to become a campaign issue. But the General Counsel gives it precisely the opposite effect, transforming it into one of the cornerstones of his probable cause recommendation. He reasons that if Congressman Orton had agreed to raise the stock fraud issue, then UEG would not have raised it. Thus, the reasoning goes, by refusing to inject Snow's alleged involvement in the stock fraud scheme into the campaign, Congressman Orton was responsible for UEG doing so and indirectly triggered the establishment of UEG as an organization. This reasoning is so strained that it legitimately calls into question the objectivity of the probable cause recommendation.

In sum, as demonstrated in the discussion that follows, all of the creditable evidence relating to this matter establishes that there was never any coordination between UEG and Congressman Orton or his campaign. Consistent with the results in analogous FEC expenditure cases that are discussed below, there is no basis for a

9704383105O

finding of probable cause to believe that Congressman Orton or his campaign violated campaign expenditure laws.

II. Statement of Facts

A. Orton's decision that Karl Snow's alleged involvement in the stock fraud scheme should not be a campaign issue.

From the moment he learned the details of Karl Snow's alleged involvement in the stock fraud scheme involving Unique Battery Systems, Inc. and Global Oil Company, Congressman Orton decided that the issue was not appropriate for the campaign and that he neither he nor anyone in his campaign would raise it. This decision, made by Orton early in the campaign, renders implausible the General Counsel's conclusion that Orton and his campaign worked actively behind the scenes to publicize the issue.

Orton first learned of Snow's alleged involvement in the stock fraud scheme during the 1990 primary campaign between Snow and John Harmer for the Republican nomination for United States Representative from the Third Congressional District of Utah. The issue received some attention from the media toward the end of that campaign after it was raised by the Harmer campaign. Upon learning that the stock fraud scheme involved Michael Strand, who had previously been convicted of felonies for similar schemes, Orton decided to investigate the matter on his own to determine whether the scheme raised any legitimate issues about Snow.

Orton, who was a practicing tax lawyer at the time, investigated the matter by going to the Salt Lake County Courthouse and reviewing a case file relating to litigation involving the stock fraud scheme. Orton concluded that Snow was possibly an unknowing participant in the scheme and that Snow may have been unwittingly used by Strand to give an appearance of legitimacy to the scheme. Based on that

9704383105 1

conclusion, Orton decided that Snow's involvement in the stock fraud scheme was not a legitimate issue, and he decided that he would not raise it during the campaign.

Orton explained his conclusion when he gave testimony in this matter:

> But I do recall that I read through that file, and at the conclusion of reading through it, I was still convinced that it was not something I wanted to raise as a political issue.
>
> I did have some concern about the type of characters that may be involved; but in reading through and looking at Karl Snow's involvement, it appeared to me that his involvement was -- my personal opinion was that Snow was probably duped, that Michael Strand probably used Karl Snow to legitimize what he was attempting to do. And that Snow probably didn't have any integral knowledge or involvement in what Strand was doing . . . . And so I again at that point said, well, I decided for myself I wasn't going to raise that as a political issue.

Orton Tr. at 30 (emphasis added).

B. Orton's repeated refusals to raise the stock fraud issue.

Although Orton had concluded that Snow's involvement in the stock fraud scheme should not be a campaign issue, many people disagreed with him. Throughout the campaign, people repeatedly urged Orton to confront Snow with this issue. On every occasion, Orton refused, choosing to stand by his original decision not to raise the issue.

On several occasions, members of the press sought to have Orton comment publicly about Snow's involvement in the stock fraud scheme. Representatives of the Daily Herald, Deseret News and Student Review, as well as other newspapers, made repeated attempts to elicit a response from Orton on this issue.[1] On each occasion,

---

[1] Contrary to the General Counsel's mischaracterization of the Schulzke (Student Review) - Orton meeting, it did not differ from those Orton had with other press reporters. General Counsel Br. at 9. The

9704383105 2

Orton refused. Finally, out of frustration, he agreed only to provide off-the-record explanations of why Snow's conduct probably violated tax laws:

> [F]inally the reason I sat down with Rod Decker and all of these other press people is I said, look, until this is resolved you are not going to go away, you are just going to keep this thing going on and on and on through the whole election and that defeats what I am trying to do. I am trying to get the substance and the merits out to these voters.
>
> So let's answer these questions, let's deal with it once and for all. Do your story, get it over with so we can focus on what is really going on, what the real questions are in this campaign.
>
> I am quoted over and over in the newspaper saying the issues in this campaign are not Carl Snow's background. It is our country's future. That's what we have got to be looking toward.

Orton Tr. at 102.

His firm belief was that this issue was not one he wanted to be part of the campaign in any way. He did not intend to raise the issue, nor did he wish or intend anyone else to raise it:

> What I attempted to express -- and I don't know, someone may hear something differently, but what I expressed to people was it is harmful and damaging to my campaign to have this issue raised because it diverts attention from the substance; that I don't want this issue lingering out there and going on and on; that I want to get to the substantive issues and debate those.

Orton Tr. at 100.

General Counsel suggests that Orton reviewed a draft of the article before publication or was in some unstated way instrumental in its preparation. This characterization is inaccurate. Orton met with Schulzke, as he met with other reporters, after being asked repeatedly to comment and refusing to do so. He gave Schulzke his off-the-record comments as he had given other reporters in the hope of laying the issue at rest.

9704383105 3

Orton's repeated, unwavering refusals to make an issue of Snow's alleged involvement in the scheme, shown by the evidence, reveal the utter lack of foundation for the General Counsel's inferential conclusion that Orton secretly worked with UEG to publicize the issue.

Daniel Darger may have been the first person who suggested to Orton that he use this issue against Snow. Orton and Darger shared office space in Salt Lake City under an office-sharing arrangement among a group of lawyers. Darger's brother lost a substantial amount of money in the stock fraud scheme, and Darger felt strongly that Snow's involvement in the scheme should be publicized. Darger suggested to Orton that he turn Snow's involvement in the scheme into a campaign issue, but Orton refused. In the testimony he gave to the FEC, Orton explained why he refused Darger's suggestion:

> [M]y recollection was he told me that Karl Snow had a questionable financial background, and it was something I could use politically against him, and I told him that I had several problems in doing that. One, as his political opponent, no one would believe me.
>
> Secondly, I didn't want to waste time attacking my opponent. I wanted to deal with issues, and all of that discussion would simply distract from the campaign. It would make me look like every other politician. I just -- I didn't have the time or inclination and told him, thanks, but no thanks.

Orton Tr. at 27-28.

Darger confirms Orton's recollection. In testimony quoted in the General Counsel's brief, Darger states: "[T]he essence of this conversation and the conversations all along after that were that Bill didn't want to get into a mudslinging thing, and didn't think it would be appropriate for him to use that stuff . . . ." General Counsel Brief ("General Counsel Br.") at 20.

9704383105 4

Consistent with this testimony, former Orton campaign worker, Spencer Taylor, stated in a sworn statement submitted to the FEC that at some point during the campaign, Darger provided the Orton campaign with documents showing Snow's involvement in the stock fraud scheme. According to Spencer, upon learning that his campaign had these documents, Orton instructed his campaign workers that they were not to do anything with them. General Counsel Br. at 20.

In September or October 1990, Scott Norton, who eventually became one of the members of UEG, also urged Orton to turn Snow's involvement in the stock fraud scheme into a campaign issue. Orton and Norton knew each other through their involvement in the Church of Jesus Christ of Latter-Day Saints. During a birthday party that members of a church group threw for Orton in September or October 1990, Norton approached Orton and urged him to make the stock fraud scheme a campaign issue. Once again, Orton refused to, explaining he did not think it should be an issue. He describes his response to Norton:

> My response was that, number one, I didn't want to divert my few resources. Clearly, I mean it is an issue I could have taken up and raised the questions in debates and so on. But I felt that that would take away from what I was trying to do; that it would be damaging for me, in fact. I honestly believed that people believe all politicians are corrupt anyway and a little question here or there is not what is going to change their mind. I believe what people want is someone who understands the issues, who is substantive, who isn't a politician, someone who wants to go back there and do something about resolving the debt crisis.
>
> And feeling like I had something to contribute, I wanted the public to hear that. I wanted to have them hear me say what I would do to lower the national debt, what I would do to change the tax laws in this country. And the more time was being spent on Karl Snow doing this or Karl Snow doing that was less time that anyone would focus on me and my issues and what I felt this country ought to be doing.

9704383105

Orton Tr. at 97-98 (emphasis added).

Norton clearly recalls Orton's refusal to make Snow's involvement in the stock fraud scheme a campaign issue. In testimony cited by the General Counsel, Norton states that Orton was "very forceful" in his refusal to raise this issue. Norton remembers Orton stating that if anyone from his campaign attempted to raise the issue, they would be fired. General Counsel Br. at 6.

Another person who urged Orton to publicize Snow's involvement in the stock fraud scheme was Kenneth Murdock, one of Orton's clients and a personal friend. Murdock called Orton in September 1990 and related the story of a friend whose financial status and personal life had been destroyed by the stock fraud scheme. Murdock strongly believed that Snow should be held accountable, and he urged Orton to raise the issue in the campaign. Orton refused, again explaining that the issue would only distract from the legitimate issues he felt should be the focus of the campaign. Orton Tr. at 99, 102.

The strength of Orton's conviction that the stock fraud issue should not be part of the campaign is demonstrated by the discussions Orton and Kinsel had on this subject. As a volunteer with the campaign, Kinsel was responsible for advising Orton on substantive legislative and political issues. He prepared position papers for Orton on a number of issues and assisted him in preparing for debates with Snow. As the only person associated with the Orton campaign who had any prior political experience, Kinsel served an important role.

Like many others, Kinsel held the view that Snow's involvement in the stock fraud scheme reflected on his integrity and character and, therefore, was an important issue for the campaign. In his view, Orton had a responsibility to the voters to raise the issue. On several occasions, he urged Orton to make the issue part of the

9704383105 6

campaign. He and Orton had heated discussions about the subject, with Kinsel eventually telling Orton just 3 1/2 weeks before the election that he would resign as a volunteer if Orton would not make Snow's involvement in the stock fraud scheme an issue in the campaign. Faced with the choice of losing the only experienced political hand on his campaign just 3 1/2 weeks before the election or sacrificing his conviction that the election should not be decided on Snow's involvement in the stock fraud scheme, Orton stood by his conviction.

On October 10, 1990, Kinsel submitted a letter to Orton in which he resigned as a volunteer with the campaign. Kinsel wrote:

> I am hereby tendering my formal resignation, effective immediately, from your campaign. We have talked on many occasions about how to handle the information coming to light on Karl Snow's involvement in the Global/Unique case and related matters. I understand your refusal to raise this critical issue and the principles which lead you to this decision. However, I strenuously disagree with you on this. I strongly believe that you have an obligation to raise this issue which goes to the heart of his competence and worthiness to serve in congress.

Orton Tr., Exh. 1.[2]

Orton recalls the circumstances surrounding Kinsel's decision to leave the campaign:

> And I told him that I had made my decision, I wasn't going to do it. He disagreed. He told me that it had to be raised, and I told him no, it couldn't be raised and not only was I not going to raise it, but he could not raise it and Steve could not raise it, and

---

[2]The General Counsel's Brief cavalierly refers to Kinsel's intention to resign as being for the purpose of pursuing "unauthorized campaign activity". General Counsel Br. at 8. First, the General Counsel does not, and cannot, cite to anything to support this characterization. Kinsel resigned because he disagreed with Orton's campaign strategy on moral grounds. What First Amendment rights he ultimately chose to exercise certainly are not fairly characterized as "unauthorized activity".

9704383105 7

Spencer could not raise it, and no one who had anything to do with my campaign could raise the issue, could comment on it, could have any involvement with it whatsoever.

And he said, and what if we do?

I said, I'll fire anybody who does.

He said, well, you won't have to fire me, I'll quit.

* * *

I said, okay, quit volunteering. I will miss the substance because you are a bright intellect, you can help me on the substance of these issues; but if you can't stay and spend your time and effort doing that with me, then don't volunteer.

Orton Tr. at 67-68.[3]

C. Orton's refusal to raise the stock fraud issue was not in any way intended to communicate to others that the issue should be raised independently.

In a finding that is essential to its probable cause recommendation, the General Counsel concludes that when Orton told Norton that he did not want Snow's involvement in the stock fraud scheme to be a campaign issue, Orton was actually implicitly communicating precisely the opposite message: that it should be an issue in the campaign and that Norton or others should take on the responsibility for raising it. The General Counsel is pursuing this claim in one of two ways -- each equally bizarre.

One is effectively a "nod and wink" theory which silently pervades the entire analysis. In effect, the General Counsel would suggest that Mr. Orton did not <u>mean</u>

---

[3]The General Counsel's Brief raises some question, based on Spencer Taylor's statement, about whether Kinsel violated Orton's role prior to leaving the campaign. Both Kinsel's and Orton's testimony confirm that this was not the case.

9704383105 8

what he said: he intended his words to be taken for encouragement to launch an independent effort. The direct evidence collected by the General Counsel absolutely refutes this suggestion. In fact, lawyers in the Office of the General Counsel specifically question whether anything in Mr. Orton's tone or presentation could have induced a belief that he intended to encourage formation of an independent effort. Emphatic denials were registered under oath to those questions by witnesses with direct knowledge of these matters.

The General Counsel seems to suggest that even if not a "nod and wink," Mr. Orton's disavowal of any interest in the issue constitutes in and of itself "coordination." The Orwellian nature of this reasoning is apparent from the General Counsel's own description:

> Even Norton's activity was, from the outset, coordinated so as to impair the independence of any expenditures with which he became associated. Orton told Norton personally that he did not wish to use the issue of Snow's business ties in the campaign, thus giving Norton a sense of what kind of campaign Orton wished to conduct. [footnote omitted] Norton testified that he would not have engaged in the course of action he took had Orton's answer been different; as he put it, "My itch [would have been] scratched." [citation omitted] If Norton was the founder and driving force behind UEG, UEG was based on information about the campaign imparted to Norton by Orton. Accordingly, UEG was coordinated with Orton's campaign from its inception. [citation omitted].

General Counsel Br. at 26-27.

In this equally remarkable theory, the General Counsel suggests that once Orton had refused to participate in the independent expenditures effort this refusal somehow constituted acquiescence in this effort. The General Counsel does not suggest that Orton knew of any plans to launch an independent effort, that he knew that persons whom he was discussing this issue with had any intention of launching an

9704383059

independent effort, or that he had any control or opportunity to exercise control over an independent spending campaign. The General Counsel bizarrely concludes that merely stating that his campaign would not raise the penny stock issue, Orton must accept the consequences that someone else somewhere at sometime might independently raise the issue. This sort of legal conclusion is indefensible, and it certainly cannot be squared with constitutional requirements, particularly those protecting independent expenditures.

In addition to the fact that this reasoning doesn't make sense, disturbingly, the General Counsel has omitted testimony from Norton that directly refutes his theory that Orton did not mean what he said to Norton -- that Orton's refusal to raise the allegations against Snow was actually a "nod and a wink". Norton testified as follows:

> Q. When Mr. Orton declined to raise the issue or said he would decline to raise the issue was there anything in his tone of voice or in the inflection he gave to any certain words that would indicate that while he wasn't going to raise the issue it was okay by him if somebody else did?
>
> A. I would not characterize anything like that.
>
> Q. Would you characterize anything in his tone of voice or inflection to certain words that would be to the contrary?
>
> A. Now I don't understand that one.
>
> Q. Was there anything in Mr. Orton's tone of voice or inflection --
>
> A. Are you talking about a secret message or something like that to convey -- a wink, a nod type of thing?
>
> Q. I think I asked you that question and I think you answered it.
>
> A. The answer was no.

9704383 1060

Transcript of Scott Norton ("Norton Tr.") at 30.

This testimony from the very person who heard and saw Orton speak refutes directly the General Counsel's conclusion that Orton did not mean what he said. An objective report and recommendation on this matter would not have ignored this evidence.

D. The formation of UEG and the motive of the persons associated with it.

The evidence gathered by the FEC establishes that UEG was formed not to benefit Orton and his campaign, but to satisfy the desire of the persons associated with UEG to hold Snow accountable for what they viewed as serious misconduct in connection with the stock fraud scheme. As the persons associated with UEG testified, their only goal was to attack Snow, and that did not require any coordination with Orton or his campaign. The evidence of UEG's motives should be considered, since it explains why UEG acted without consulting or coordinating with Orton or his campaign.[4]

Murdock, a life-long Republican, explained that his involvement in UEG was driven by moral outrage at Snow's conduct, not by a desire to assist Orton's candidacy. In fact, Murdock had concluded that Orton's candidacy in the predominately Republican district was ill-advised and that he would not support it:

> Q. Mr. Murdock, how did you find out that Mr. Orton was going to be a candidate for Congress?

---

[4]Each member of UEG had personal and independent motivations for his involvement. Schulzke was the cousin of John Harmer, recently defeated in the primary by Snow. Murdock's friend Percy Kalt had had his life destroyed by the stock fraud scheme in which Snow was involved. Norton had been a Harmer supporter and wanted revenge against Snow through public disclosure of this issue. Kinsel, a peripheral figure in UEG, had a moral conviction that the public deserved to be informed about an issue that reflected so profoundly on Snow's character.

9704383106

A. In the spring of 1990 Bill and I were talking and he announced to me that he was thinking very strongly about running for congress and that was it.

Q. What did you think of that?

A. I thought it was a stupid idea.

Q. Why is that?

A. Well, because he was relatively unknown in a highly Republican district. Traditionally Democrats are not successful and a lot of times chewed up pretty badly in this district. And besides I was a Republican and I didn't want to have that.

* * *

Q. Once he was in the race would it be fair to say at that point you supported his candidacy?

A. No. As a matter of fact at that same meeting he asked if I would support him and work on his campaign and denate (sic) to his campaign. I told Bill -- I tried to talk him out of it. I said I have no time, Bill. This is not a fight I want. If you're going to do it on your own. I don't have the time. Don't count on me because I am way too busy. I left it at that. I was very honest with him because I didn't want to have any false illusions about me being there for him.

Transcript of Kenneth Murdock ("Murdock Tr.") at 12-13.

Murdock's motivation to become involved in UEG's activities stemmed from his relationship with a former neighbor, Percy Kalt, who had been victimized by the stock fraud scheme. Murdock explains why he decided to work with UEG to publicize Snow's involvement in the scheme:

> I guess it was a sense of fairness involving Karl Snow and Percy Kalt. I had a pretty high sense of outrage in what I had known as a neighbor and the history of what had happened five years previously. Seeing a man completely destroyed by his involvement in this investment and then being hung out, eventually losing his job, being discredited in the community and

9704 383 1062

> Karl Snow disavowing any knowledge of the man or any involvement. And then having the same employer Karl Snow has maintained his position and his standing in the community, not that he should have been treated equally, but I felt a very strong unequitable and unfair treatment and I was pretty outraged.

Id. at 22.

Like Murdock, Norton is a Republican who did not support Orton's candidacy. Norton recalls that when Orton sought his support early in the campaign, he declined because he "didn't feel like throwing money away on a Democratic candidate." Norton Tr. at 18. However, as the campaign progressed, Norton learned about Snow's involvement in the stock fraud scheme, and felt compelled to publicize the issue. Norton had supported Republican candidate, John Harmer, in the Republican primary and was upset that Snow, despite his involvement in the stock fraud scheme, had attacked Harmer on personal financial issues. Norton felt an obligation to expose what he perceived to be Snow's hypocrisy:

> During this primary I had watched the Republican party. I would watch this battle between Karl Snow and John Harmer. It was an extremely what I've learned in business a dirty campaign. The Snow campaign was dragging out every financial detail this Harmer person had and opening them up.
>
> And I was aware during the primary that Harmer was trying to bring things up about Snow and was unsuccessful and Harmer got slaughtered. He was the popular candidate. Snow was the insider party leader. At one point four lawyers stepped up and said we'll do an independent review of both of these candidates' financials and they produce this thing and exonerated Snow completely and absolutely slammed Harmer.
>
> So the Student Review article took the details of Snow's activities and showed where he absolutely lied, just lied and got away with it. It had details and everything.

* * *

9704383 1063

Q. I want to ask you a few questions about this narrative. A lot of people think that politics is a dirty business. What was it about the information concerning Mr. Snow that made you so upset?

A. That he got away with it. I consider myself a Republican. Although I was not involved with either campaign I was watching it. He got away with it. It was so blatant, so dirty.

Id.

The third UEG principal, Schulzke, had similar motivations.[5] Schulzke, also a Republican, is related to Harmer and had worked as a volunteer on his primary campaign against Snow. As the General Counsel observed, stinging from Harmer's bitter loss to Snow, Schulzke was determined to keep alive the issue of Snow's involvement in the stock fraud scheme. Schulzke's articles about this issue in the Student Review served as retribution for the tactics Snow utilized against Harmer.

The formation of UEG was triggered by a political gathering on October 16, 1990 that all the UEG principals attended. Murdock, Norton, and Schulzke met at the gathering and began discussing their common desire to expose Snow's involvement in the stock fraud scheme. They were joined in these discussions by Kinsel.[6] They continued the discussion outside the gathering in Norton's car where they agreed that they would join together to expose Snow's involvement in the scheme. As described

---

[5]The fundamental and pervasive weakness of the General Counsel's factual account is exposed clearly in the equivocal discussion of Schulzke's involvement. The Brief states, for example, "Probably the same day, Kinsel met with Schulzke" (General Counsel Br. at 9); "Kinsel apparently suggested that Schulzke meet with Orton" (Id.); and "Norton had returned from his vacation, and he met with Schulzke and probably Kinsel . . ." (Br. at 10). Indeed, the General Counsel is forced to rely on pure speculation to patch a theory of coordination together.

[6]Although the General Counsel portrays Kinsel as one of the principals of UEG, in reality, he was only marginally involved in the group's activities. See Murdock Tr. at 38; Norton Tr. at 57.

9704383106 4

by Norton, they considered themselves to be a "citizens watch dog group," not a political organization. Norton Tr. at 13.

Norton explains that although the name "UEG" connotes a large organization, in reality, the organization consisted of only Murdock, Norton, and Schulzke:

> UEG is a big name. Basically it's Eric and I. Eric wrote the articles. I said I will reprint them. Within the next day or two Ken Murdock would have to be included. Beyond that you have some peripheral people. The reason I say that is with Ken Murdock and myself and Eric Schulzke we pretty much did everything.

Norton Tr. at 57. The "peripheral people" who assisted Murdock, Norton, and Schulzke included Kinsel who, according to Norton, was not "materially involved." Id. Murdock confirms that Kinsel had a very limited role: "Well, I mean we were UEG and his only contact with us was occasional and he didn't do any of the work. He would drop by and see what was going on and talk to us and be there for a while and then he would disappear. We did the work." Murdock Tr. at 38.

E. The absence of any coordination between UEG and Orton or the Orton campaign.

UEG existed for less than three weeks. Its activities consisted of a series of communications designed to publicize Snow's involvement in the stock fraud scheme. These communications were: 1) a press conference held by UEG on October 24, 1990 in which victims of the stock fraud scheme explained why Snow was to blame for the scheme; 2) the distribution of inserts in the October 30 edition of the Provo Daily Herald and 18 community newspapers containing articles about Snow's involvement in the stock fraud scheme; 3) two anti-Snow advertisements that UEG ran in the Provo Daily Herald on November 4 and 5; and 4) an anti-Snow radio

9704383 1065

advertisement that UEG ran on station KSL in Salt Lake City on November 5. The total funds expended on these activities was approximately $11,500.

Significantly, the General Counsel's probable cause recommendation fails to cite any evidence indicating any involvement by Orton or any member of his campaign in any of these activities. Indeed, the UEG principals testified unequivocally that neither Orton nor anyone from his campaign had any involvement in these activities. This highly relevant testimony, all of which the General Counsel omitted from his probable cause recommendation, could not be clearer about the complete absence of any coordination. Thus, Murdock testified as follows:

> Q. Did you [and Orton] have any communication indirectly prior to the election concerning the activities of UEG?
>
> A. No.
>
> Q. Did you have any communication prior to the election with any member of Mr. Orton's campaign staff?
>
> A. Not to my knowledge.
>
> * * *
>
> Q. In your discussions with the members of UEG or the brainstorming that you all had was there ever any discussion of how UEG's strategy complemented what the Orton campaign was doing?
>
> A. No, no.
>
> * * *
>
> Q. I'm not asking whether Mr. Orton's name came up, but as you all determined what your strategy would be to defeat Snow and put forward the information about him that was damaging. In the course of your strategy decision making did anybody put forth the idea that well Orton is doing X so we shouldn't do Y or anything like that?

9704383106 6

A. No. We had three weeks maximum. I don't remember what it was. Two to three weeks. We had our own -- we had a job to do and we had no time to be concerned with anything else. We didn't want to know what republicans for Orton was doing. We had no idea what Bill was doing and what their activities were other than what was public. We were just doing what we had to do. The timing of anything was totally inconsequential.

* * *

Q. Are you aware of any indirect communications between any of the other members of the group and Mr. Orton?

A. No.

Q. Are you aware of any direct or indirect communications with anybody in the UEG group with anybody on the Orton campaign staff?

A. No.

Murdock Tr. at 76 - 80 (emphasis added).

Norton confirms that UEG was not concerned with coordinating its activities with Orton's campaign, stating that Orton's campaign strategies were "not germane to what we were doing." Norton Tr. at 67. He also confirms that there were no communications of any kind with Orton or his campaign about UEG's activities:

Q. Did you ever communicate concerning the press conference, and I mean you personally, at any time with anyone from Bill Orton's campaign or his law office or anyone who resided at his residence?

A. No.

Q. To your knowledge did anyone else who was connected with UEG communicate concerning the press conference with Bill Orton?

A. No.

9704383106 7

Q. To your knowledge did anyone else connected with UEG communicate concerning [the] press conference with anyone from the Orton for Congress staff or Mr. Orton's law practice or anyone who resided at his residence?

A. No.

* * *

Q. Did you ever communicate about the advertisements reproduced in Exhibits 13 and 14 with anyone from Orton for Congress or Bill Orton's law practice or anyone that resides at Bill Orton's residence?

A. No.

Q. To your knowledge did anyone from UEG ever communicate about exhibits 13 and 14 with Bill Orton?

A. No.

Q. To your knowledge did anyone from UEG communicate regarding Exhibits 13 and 14 with anybody on Orton's campaign staff or in his law practice or who lived at his residence?

A. No. I will say we just cooked this up.

* * *

Q. I'll ask you again did you communicate concerning the radio advertisement with anyone from Orton for congress or Mr. Orton's law practice or anyone that resided at Mr. Orton's residence?

A. No, I didn't. This ad is a slap back at the Republican party. They say and the republican leadership is helping Karl Snow cover up this lies. Stop the republican Snow job. This is a slap back at what we're getting.

Q. To your knowledge did anyone else who was associated with UEG communicate concerning the radio advertisement with Mr. Orton?

A. No.

9704383106 8

Q. And to your knowledge did anyone associated with UEG communicate regarding the advertisement with anyone on Mr. Orton's campaign staff or in his law practice or who resided at his residence?

A. No.

Norton Tr. at 101, 128, 131.

With all the relevant participants denying any coordination with Orton or his campaign or even knowledge of what the campaign was doing other than from publicly available information, the General Counsel remarkably turns to what he describes as "circumstantial" evidence of "potential communications" between UEG and Orton or his campaign (General Counsel's Br. at 15-21) to argue that the participants are not telling the truth -- that they are covering up the fact that Orton and his campaign were involved in coordinating UEG's activities. The General Counsel bases his recommendation of probable cause entirely on misconstrued circumstantial evidence of potential communications, consisting of: 1) telephone records showing that from October 17 through November 4, there were 19 telephone calls placed between Kinsel's residence or Murdock's residence or cellular phone, on the one hand, and Orton's residence, his cellular phone, or Orton for Congress, on the other hand; 2) a clipping of a newspaper article discussing charges traded between Snow and UEG with handwritten notes in the margin and facsimile transmission information indicating that the clipping might have been telefaxed to an unidentified person from Orton's facsimile machine; and 3) a telephone log entry prepared by Dan Darger indicating that he may have spoken to someone named "Bill" on October 16 about a report relating to the stock fraud. General Counsel Br. at 23-27.

9704383106 9

As demonstrated below, when viewed objectively without the General Counsel's overlay of conspiracy and wild speculation, none of this evidence shows any cooperation or coordination between UEG and Orton or his campaign.

1. The telephone records are not evidence of coordination.

As mentioned earlier, the General Counsel rests his conclusion that there was coordination between UEG and Orton or his campaign largely on telephone records showing that from October 17, 1990, through November 4, 1990, 19 telephone calls were placed between Kinsel's residence or Murdock's residence or cellular phone, on the one hand, and Orton's residence or cellular phone or Orton for Congress, on the other hand. The General Counsel concludes that the mere fact that these calls were placed establishes that Kinsel and Murdock must have discussed UEG activities with Orton or his campaign. However, as noted earlier, because it failed to obtain the telephone records before the Kinsel and Murdock depositions, the FEC never gave Kinsel and Murdock the opportunity to discuss what occurred in these conversations. The affidavits from Kinsel and Murdock that accompany this brief establish that the conversations had nothing to do with UEG's activities.

Kinsel, whose telephone number appears in 12 of the 19 calls, had several conversations with the Orton campaign after he resigned on October 10, 1990 relating to work he had performed. Some of these conversations concerned issue papers that Kinsel was preparing when he resigned and that he did not finish until after October 10. Affidavit of Sheldon Kinsel ("Kinsel Aff.") ¶ 14. In addition, as the person who had been primarily responsible for preparing and maintaining custody of position papers and debate preparation materials, Kinsel knew where files containing position

9704383107O

papers were located, and he had several conversations with campaign workers in which he assisted them in locating files and issue papers. Id. ¶ 14.[7]

As for conversations with Orton, Kinsel recalls that he and his wife attempted to reach Orton on two or three occasions to discuss whether it would be appropriate for them to attend an election night party for Orton and his campaign. Id. ¶ 15. It took more than one call to reach Orton. On one or two occasions, one of Orton's parents -- who were living with Orton in the weeks before the election -- answered the phone and talked briefly with Kinsel or his wife. Id. ¶ 15.[8]

Kinsel also recalls the Sunday, November 4, 1990, edition of The Salt Lake City Tribune reported the results of election prediction polls that showed Orton cutting into Snow's lead. See Attachment 1. He knew from similar polls that these papers had published while he was working for the Orton campaign that Orton did not receive these papers at his home. Accordingly, Kinsel called Orton early in the morning on November 4 to tell him about the poll results. In this conversation and in one or two other conversations on the same day, Kinsel and Orton talked about the poll results and the best way for Orton to respond to questions about the polls. Id. ¶ 15.

Kinsel recalls further that on November 4, 1990, Snow ran a newspaper advertisement consisting of a photograph of Mr. Snow posing with his family and a photograph of Mr. Orton -- who was unmarried at the time -- by himself. See

---

[7]Because he was not shown the telephone records during his deposition, Kinsel did not recall some of the conversations he had with Orton and the Orton campaign. After being provided with the records by Orton's counsel -- not by the FEC -- Kinsel was able to reconstruct the conversations.

[8]Of the six calls placed from Kinsel's residence, two of them were for three minutes and one was for five minutes. Based on the shortness of these calls, Kinsel believes that these are the calls in which he or wife attempted to reach Orton but reached one of Orton's parents or his answering machine instead. Kinsel Aff. ¶ 15.

9704383107 1

Attachment 2. The advertisement attempted to show that in contrast to Mr. Orton, Mr. Snow was a family man with family values. In the conversations that they had on November 4, Orton and Kinsel also discussed this advertisement and how Mr. Orton should respond to it. Id. ¶ 15.

Murdock, whose home or cellular phone number appears in seven of the telephone calls, recalls that he had several conversations with Orton during this period about a sizable business transaction that Murdock was considering. Affidavit of Kenneth Murdock ("Murdock Aff.") ¶ 9. Orton was Murdock's legal counsel on business and tax issues; they had an attorney-client relationship that dated back many years. Murdock recalls that he had conversations with Orton about the business affairs of Murdock Healthcare. Murdock Aff. ¶ 9. In addition, Orton advised the Murdock family on personal legal matters. Id. ¶¶ 9 and 13. Specifically, at the time of the calls, Orton was giving Mr. Murdock and Murdock Healthcare advice on tax matters, financial losses experienced by the company during 1990, the potential sale of a majority of the company's stock, the decision whether to pay off a $500,000 tax exempt bond, and an ongoing litigation matter. Id. ¶ 10. Murdock's wife Kristin had access to both the cellular telephone as well as, of course, the residential telephone. Id. ¶ 12. Orton was advising both Murdock and his wife about family trust matters. Id. ¶ 13. Murdock provides sworn testimony that "the actions of UEG were not discussed in these or any other telephone calls listed on page 16." Id. ¶¶ 4-9 and ¶ 16.

In sum, the Kinsel and Murdock affidavits establish that the conversations cited by the General Counsel had nothing whatsoever to do with UEG or any of its activities.

9704383107 2

2. **The newspaper article is not evidence of coordination.**

The General Counsel describes a clipping of a newspaper article about charges exchanged between Snow and UEG members as another "potential communication" between Orton and UEG. General Counsel's Br. at 18. However, the significance that the General Counsel ascribes to this document, a copy of which accompanies this brief (Attachment 3) is extremely attenuated. What is clear, however, is that under any reasonable analysis, this document does not constitute evidence of any coordination between Orton and UEG.

The article appeared in the October 31, 1990 edition of the Salt Lake City Tribune. It is titled "Nielson Backs Snow Despite Past Dealings," and it discusses the fact that Republican Congressman Howard Nielson, who was retiring from the seat for which Orton and Snow were running, was backing Snow in the election despite Snow's involvement in the stock fraud scheme. The article quotes Nielson stating that Snow did not owe an apology to the people who attacked him on the stock fraud issue because everything Snow said about them -- Snow called his detractors "polygamists and convicted felons" -- was true. In the margin of the article, someone wrote: "Nielson is repeating and reaffirming Snow's allegations against Norton & Murdock by stating 'Everything he said is true.' SLANDER & DEFAMATION Repeated." At the top of the article is telefax information that reads: "11/02/90 11:56 [redacted] William H Orton." When he provided testimony to the FEC, Orton testified that the handwriting in the margin could be his and that he does not have any recollection of faxing this article to anyone. Orton Tr. at 130. Schulzke, the person from whom the FEC obtained this copy of the article, could not recall how he came into possession of the article, but he does know that it was not faxed to him. See General Counsel's Br. at 19.

9704383103

This is all that is known about the article. There is no evidence that Orton provided UEG members with a copy of the article or that the article triggered a discussion between Orton and UEG members about UEG's activities. Indeed, Norton testified that to his knowledge, no one from UEG received a fax of this article from Orton. Norton Tr. at 109. This is consistent with Schulzke's recollection. All that is known is that the copy of the article the General Counsel received has telexfax information from Orton's fax machine, and that the writing in the margin may be Orton's. This hardly suggests that Orton and UEG members were coordinating UEG's activities and expenditures. Moreover, even if it is Orton who wrote that Norton and Murdock were being slandered and defamed, his expression of that belief does not in any way suggest that he was coordinating with UEG. Under any circumstances, the disposition of this article is absolutely irrelevant to a determination in this case.

3. Darger's telephone log is not evidence of coordination.

The final piece of circumstantial evidence that the General Counsel claims could show potential coordination between Orton and UEG is an entry in Daniel Darger's telephone log for October 16 that, according to the General Counsel, reads: "Pc/Bill is person willing to make public comment about Bramble report." Below this entry, according to the General Counsel, Darger wrote: "Gather info and ship to Royce." According to the General Counsel, Darger testified that he assumes "Bill" refers to Orton. Darger apparently testified further that, consistent with this note, he gathered information -- apparently about the stock fraud scheme -- and sent it to Royce Griffin, who was either a present or former employee of the Utah Securities Division. Darger stated that he had no recollection of discussing with Orton the idea of gathering information and sending it to Griffin. General Counsel's Br. at 21.

The General Counsel takes this evidence and combines it with evidence that Darger's phone log for October 19 contains Sheldon Kinsel's name and his phone log

9704383107/4

for October 25 contains Kenneth Murdock's name. The General Counsel states further that Scott Norton's date planner entry for October 25 contains Griffin's name.[9]

From this hodgepodge of facts, the General Counsel draws the following conclusion:

> [T]he combination of Daniel Darger's communication with Orton on October 16, the note he made on his phone log regarding Royce Griffin immediately underneath that regarding the communication with Orton, his communication with Kinsel three days later and with Murdock nine days later, and the subsequent appearance of Griffin's name in Norton's date book indicate the possibility of indirect coordination between Orton and UEG involving Darger as the middleman.

General Counsel Br. at 25 (emphasis added).

This confusing analysis rests on several flawed premises and highly suspect assumptions. First, Darger was not associated with UEG, and there is no evidence at all that Darger was involved in coordinating or carrying out any of UEG's activities. Accordingly, any communications Orton may have had with Darger do not constitute communications with UEG and do not show any coordination by Orton with UEG. Further, Royce Griffen had no relationship to UEG. Therefore, whether or not Darger passed on information to Royce Griffen is totally irrelevant.

Second, the evidence does not even establish that Orton and Darger talked to each other on October 16. The cryptic entry, "P/c Bill," does not show that Darger and Orton spoke to each other on October 16, even if one assumes that "Bill" refers to Orton.

---

[9]The General Counsel also alludes to Darger's possession of a copy of Schulzke's first Student Review article that was "apparently transmitted by Orton for Congress on October 4." General Counsel at 20. It is quite likely that the campaign faxed this article to Orton at his law offices and Darger found it of interest and copied it. In any event, how Darger came to have the article is irrelevant to this case.

9704383107 5

Third -- and most important -- there is no evidence at all to support the ultimate inference that the General Counsel is apparently drawing: that Orton told Darger to talk to Kinsel and Murdock about the stock fraud issue or about providing information to the Utah Securities Division. To the contrary, evidence that the General Counsel fails to cite shows that Murdock spoke to Darger not at Orton's suggestion, but at the suggestion of Darger's brother, John Darger. Murdock explains how his contact with Dan Darger on October 19 came about: "I told you earlier that I interviewed Darger, and I believe it's John Darger, in Salt Lake. I believe that he told me that I should talk to his brother about something to do with that -- I don't recall if his brother had helped him in his involvement with Global Oil and that whole problem." Murdock Tr. at 72-73. Murdock recalls further that he spoke "briefly" with Darger, and that Darger "really didn't have anything." Id. In other words, Murdock's testimony about how he contacted Dan Darger and about his failure to obtain any meaningful information from him directly contradicts the General Counsel's theory that Orton used Darger as a middleman to contact the UEG members and to influence their activities.

Finally, the General Counsel quotes Darger's testimony regarding the conversation Darger had with Orton regarding "the mudslinging thing". General Counsel Br. at 20. This appears to be another attempt by the General Counsel to suggest that Orton, by telling people he did not want to discuss the Snow issue in his campaign, was somehow actually suggesting to them to raise the issue themselves. Darger's testimony clearly does not purport to be a quote from Orton. Orton never said "you are a free person, you can do whatever you want." Orton did not encourage Darger or anyone else to raise this issue nor did he have the intention to do so indirectly. Orton Tr. at 99, 102.

9704383107 6

III. Argument

A. Applicable Law

The legal issue raised in this matter is whether the funds that UEG expended to publicize Snow's involvement in the stock fraud scheme constitute independent expenditures as defined under 2 U.S.C. § 431(17) or in-kind contributions under 2 U.S.C. § 441a (a)(1)(A). The Federal Election Campaign Act, as amended, defines an independent expenditure as:

> an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate or agent of such candidate.

2 U.S.C. § 431(17). The Act does not impose any limits on the amounts of money that people may spend on independent expenditures. Buckley v. Valeo, 424 U.S. 1, 51 (1976). By contrast, the Act does not permit individuals or groups to make contributions of more than $1,000 to a candidate or his authorized political committee. 2 U.S.C. § 441a(a)(1)(A).

An expenditure made in cooperation, consultation, or concert with, or at the suggestion of, a candidate, his authorized political committees, or their agents, is considered to be a contribution. 2 U.S.C. § 441a(a)(7)(B)(i). The Commission's regulations provide that an expenditure is not independent when it is made under "any arrangement, coordination, or direction by the candidate or his or her agent prior to the publication, distribution, display, or broadcast of the communication." 11 C.F.R. § 109.1(b)(4)(i).

9704383107 7

In this case, if the UEG expenditures -- which amounted to $11,452.68 -- were made without the cooperation of, or coordination by, Orton or his campaign, they are lawful, independent expenditures. If the expenditures were made with the cooperation of or in coordination with Orton or his campaign, they are in-kind contributions in excess of the $1,000 limit imposed by section 441a(a)(1)(A).

B. The General Counsel Has Failed to Find Any Evidence to Support A Finding of Coordination

As the Commission has recognized on many occasions, independent expenditures are a form of political expression that is "'at the core of our electoral process and of the First Amendment freedoms.'" Buckley v. Valeo, 424 U.S. at 39 (quoting Williams v. Rhodes, 393 U.S. 23, 32 (1968)).

Because of the important Constitutional rights that are implicated by independent expenditures, the General Counsel must come forward with substantial and credible evidence establishing that an expenditure was not independent for the Commission to conclude that a violation of the Act has occurred. The Commission has recognized this evidentiary burden on numerous occasions. See, e.g., MUR 2766, Statement of Reasons, Supporting Memorandum ("Supp. Memo." at 2).[10] ("It would be completely inconsistent with the broad Constitutional protection repeatedly afforded this type of speech by federal courts, and contrary to our normal way of doing business in other cases, to demand that the makers of such expenditures always prove their innocence of speculative and constantly shifting charges."). In MUR 2766, the Commission was voting on whether or not to find "reason to believe" a violation may have occurred. Certainly, the evidentiary standard is considerably

[10]The Statement of Reasons and Supporting Memorandum reflect the views of the controlling block of Commissioners in this matter. See DCCC v. FEC, 831 F.2d 1131 (D.C. Cir. 1987).

9704383107 8

lower for such a preliminary finding than for a finding of probably cause. One only permits the Commission to investigate the matter, the later is an actual finding of violation. Therefore, in this case the evidentiary threshold would presumably be even higher for the Commission to make an affirmative finding.

The United States District Court for the District of Columbia upheld the Commission's dismissal in MUR 2766 upholding the evidentiary standard required to make an affirmative finding:

> In refusing to order an investigation, the Commission applied a minimum evidentiary threshold that required at least 'some legally significant facts' to distinguish the circumstances from every other independent expenditure situation . . . There is no inherent reason to disbelieve these statements [of Respondents] which were made under oath and under penalty of perjury . . . Coordination . . . is denied broadly and with particularity . . . There is nothing about the affidavits that appears to be strained, evasive or facially incomplete.

DSCC v. FEC, 745 F. Supp. 742, 746 (D.D.C. 1990).

Significantly, as the Commission has emphasized before, it is not the respondent's burden to prove a negative -- "the total absence or absolute impossibility of coordination." MUR 3069, Josefiak Statement of Reasons at 5 ("It should not be respondents' fault if they cannot prove a negative: the total absence or absolute impossibility of coordination").

It is the government's burden to prove a violation, and, in attempting to do so, it must meet a strict standard of proof, afford the respondent a presumption of innocence, and afford the respondent a genuine measure of due process and fairness:

> [I]t is not respondents' fault if it is difficult for the Commission to prove coordination in independent expenditure cases. That these cases are hard should not work to the disadvantage of those accused of violating the law. Standards of proof and the

9704383107/9

presumption of innocence should not be thrown out in independent expenditure cases because they are inconvenient.

The government bears the burden of proof.

Id.; see, e.g., MUR 2766, Supp. Memo. at 4 ("The Commission enforces the law under procedures defined by the statute. Those procedures are intended to afford a genuine measure of 'due process' fairness to those accused of violations, including a 'reason to believe' finding by the Commission that is necessary to begin the prosecution, and investigation, of a case").

C. All of the Evidence in This Case Supports a Finding of Independence

Not only has the General Counsel failed to set forth any evidence to support his recommendation, the evidence he has collected affirmatively demonstrates that there was no coordination between UEG and Orton or his campaign. As described extensively in the Statement of Facts, without exception, every principal who was involved in this matter testified unequivocally that there was no coordination or consultation and that all of UEG's expenditures and activities were carried out completely independent of Congressman Orton and his campaign.

The uniformity and comprehensiveness of the testimony concerning the absence of any coordination goes well beyond the record that was before the Commission in other enforcement actions involving independent expenditures. In MUR 2766, for example, the principals uniformly denied in affidavits that any coordination had occurred.[11] The Commission accepted that testimony and rejected

---

[11]Unlike in this case, the Commission in MUR 2766 accepted the testimony by respondents through affidavit without the benefit of oral examination. Here the General Counsel deposed each principal, thus had the opportunity to question and requestion each of them to ensure there was no evasiveness, misinterpretation, or "careful crafting" of a response. Nothing in these depositions provides evidence of coordination; indeed, they uniformly confirm the independence of UEG's expenditures.

9704383 1080

the General Counsel's recommendation to find reason to believe. In words that could have been written for this case, the Commissioners' Supporting Memo states:

> In reviewing the affidavits and information provided in responses to the complaint in this matter, one could fairly ask: How many ways did they have to say it? What reason did we have to doubt them? How far did the obligation of respondents extend to absolutely prove coordination did not take place, where no evidence suggested otherwise?

MUR 2766, Supp. Memo. at 20 (emphasis in original).

Similarly, in MUR 3069, the Commission found no basis for proceeding against the respondents where all the people involved in the alleged coordination denied any cooperation or consultation. The Statement of Reasons provided:

> All respondents flatly and emphatically denied any cooperation or consultation between the committees in the making of NASPAC's television advertising expenditures. The deposition testimony was believable, and adequately explained the conduct of respondents' agents.

MUR 3069, Statement of Reasons at 2. See also, MUR 2217, Summary of Allegations at 6 ("In view of these unrefuted statements by the principals, this Office would conclude that Preston Geren did indeed make an independent expenditure on behalf of Peter Geren"). The evidence is no less compelling here. In deposition testimony, all the principals have denied any cooperation or consultation, and there is no legitimate basis for discrediting their testimony.

D. The General Counsel Attempts to Support Its Recommendation With Wild Inferences Drawn From "Circumstantial Evidence"

The General Counsel's exclusive reliance on what he himself describes as "circumstantial evidence" of "potential communications" falls dramatically short of meeting any conceivable evidentiary threshold.

9704383108 1

First, in an appalling leap of logic uniformly refuted by all direct evidence, the General Counsel recommends that the Commission rely on phone records to establish coordination.[12] As discussed, these phone records show nothing more than that telephone calls were placed between Kinsel's residence and Murdock's residence or cellular phone, on one hand, and Orton's residence or cellular phone or Orton for Congress, on the other hand. Again, however, direct evidence provided in the Kinsel and Murdock affidavits and Orton deposition refute any suggestion by the General Counsel that these conversations related to UEC and constituted coordination.[13] To the extent conversations that took place almost five years ago can be recalled, the subject of the phone calls are described in the affidavits. Simply stated, they did not relate to coordination of UEG's and the campaign's activities. To find otherwise would require fantastic speculation totally contrary to the evidence and to any reasonable standard. In the face of similar, though less compelling testimony, the Commission rejected the General Counsel's wild speculation:

> Without some bit of indication or shred of evidence to contradict their denials of coordination and to justify speculation that such collective stupidity was involved in these circumstances, I could

---

[12]The General Counsel's reliance on these phone records defies logic but, more importantly, demonstrates the weakness of the investigation conducted in this case. Almost five years after the original complaint was filed, and after all but one deposition was conducted, the General Counsel entered into evidence subpoenaed phone records of the principals in the case. The General Counsel failed to depose either Kinsel or Murdock about the phone calls shown in the records. Instead, he wildly speculates that if phone calls were placed between these individuals, they necessarily must have been about UEG or somehow compromised the independence of UEG's expenditures. This conclusion is directly contradicted by Murdock's, Kinsel's and Orton's depositions generally and Murdock's and Kinsel's affidavits specifically. In any event, reliance on these phone records without providing any opportunity to the individuals involved to respond violates any semblance of a fair and reasonable investigation.

[13]If the General Counsel is attempting to argue that the telephone conversations gave the parties an "opportunity" to coordinate, and that the mere opportunity is sufficient to find coordination, this line of argument has also been resoundingly rejected by the Commission. See MUR 2766, Supp. Memo. at 5-6 ("The making of such expenditures always carries the opportunity for coordination between the maker of the expenditures and the candidate benefited by them. Indeed, all political activity on behalf of Federal candidates carries the potential for violations of the FECA which the Commission would not know about without an investigation.").

9704383108 2

not support finding reason to believe a violation took place under these facts . . .

MUR 2766, Supp. Memo. at 17.

The General Counsel next argues that Orton can be held liable for UEG's independent expenditures because he informed Norton that he did not want to use the issue of Snow's business ties in his campaign. In short, the General Counsel asks the Commission to find that Orton violated the law because he told Norton that he did not want to raise certain issues relating to his opponent and Norton then independently raised the issue in UEG advertisements. Such a theory of liability is simply incredible. The sole act committed by Orton was informing Norton that the campaign would not raise an issue. Orton neither provided instructions nor encouragement to Norton to raise the issue. To the contrary, the record is clear that Orton opposed raising the issue and Norton's decision to raise the Snow issue was clearly his own.

In support of this novel legal theory the General Counsel cites three cases that range from inapposite to irrelevant. For example, the General Counsel cites MUR 1272 for the proposition that coordination occurred "where [a] purportedly independent expenditure was based in part on knowledge of, and disagreement with, official campaign strategy." Gen. Counsel Br. at 27 n.23. Yet MUR 1272 has no bearing on the facts of this case. In MUR 1272 a campaign worker was invited to preview proposed media spots. As the General Counsel's Report in that case states:

> At the end of the showing, [the campaign worker] expressed his opinion to the others in attendance that the spots were deficient and inadequate in addressing [the opponent's] Senate record. Despite the fact that others present at the meeting also believed that the footage was inadequate and thus was not used, [the campaign worker] was able to get a sense of what kind of media campaign [the campaign] did or did not wish to conduct.

9704383108 3

MUR 1272 at 4-5.

There was no "disagreement with official campaign strategy" in MUR 1272. Quite to the contrary, as the General Counsel's Report makes clear, "others present at the meeting also believed that the footage was inadequate and thus was not used." What was important in that case was that the campaign worker, who later went on to produce "independent" advertisements, gained a sense of the themes that the official campaigns were trying to convey. Although not made clear, the implication in MUR 1272 is that the independently produced advertisements were consonant with the campaign themes and messages being promoted by the official campaign in the unused spots. Of critical importance, MUR 1272 is premised on the fact that the independent advertisements were produced by a person who had been exposed to the campaign's media messages and themes.

The facts of this case are obviously to the contrary. Congressman Orton specifically told Norton that he was not going to make Snow's business affairs a part of his campaign. In telling Norton this, Orton did not convey any "inside" information into his campaign's themes or messages. He simply stated what they would not be. Any member of the public could have gleaned precisely the same "strategy" since Orton on numerous occasions refused public comment on this issue. The fact that Norton then went on to disregard Orton's wishes is indeed an indication that his actions were not the result of coordination with the Orton campaign. Any contrary conclusion truly defies logic.

The other two cases cited by the General Counsel are simply not relevant. Any reliance on MUR 812 is entirely unfounded. Contrary to the General Counsel's parenthetical explaining its cite to this MUR, "violent disagreement" about campaign strategy was not even a factor listed by the General Counsel as relevant to the

9704383084

Commission's finding in the case. MUR 812 involved an "independent committee" ("JAB") established by individuals coincidentally or previously affiliated with the candidate's principal campaign ("SSCV") that benefited from the expenditures. The factors explicitly listed by the General Counsel "as indicative of the non-independent expenditure status of JAB and the basis for its recommendation to find a violation were:

> (a) James Rice, an officer of JAB, was a paid consultant for SSCV;
>
> (b) all of JAB's officers except for Walter Riordin were members of SSCV's advisory committee;
>
> (c) an invoice for services rendered by JAB was paid by SSCV; and
>
> (d) Brian Short acted as counsel, bookkeeper and de facto treasurer for JAB while continuing to hold an official position with SSCV.

General Counsel's Brief at 6.

The evidence of coordination in this case was overwhelming. Any one of the factors such as payment by the "independent" committee of a campaign invoice or dual service by the candidate's son in both the "independent" activities and the principal campaign committee would be sufficient to constitute coordination. The agreement or disagreement on campaign strategy was wholly irrelevant. This matter simply has no application to the facts presented in the present case.

The sole remaining matter cited by the General Counsel is MUR 2817, which is somewhat gingerly introduced by the ubiquitous signal "Cf." Such a half-hearted introduction is indeed appropriate because the relevance of MUR 2817 to the facts of this case is attenuated at best. As noted by the General Counsel, MUR 2817 involved a situation where a county party chair was told by state officials of a presidential

9704383108 5

campaign that the county party could not legally place the newspaper ads and, as a result, the party chair placed the ads using his own money. Significantly, in that matter the General Counsel noted that as the chairman of a local party committee he was "sufficiently privileged to the campaign plans of the Dukakis/Bentsen Committee so as to characterize his actions as either in cooperation with or at the suggestion of the Dukakis/Bentsen Committee." MUR 2817, General Counsel's Report at 12. Moreover, the Commission had evidence confirming that the county chair conferred with the presidential campaign and state party prior to placing the ads. Thus MUR 2817 involved little more than a garden variety claim of illegal coordination. Again, in this case Norton's actions were in contradiction of Orton's stated -- and as of yet uncontested -- wishes for his campaign. Norton neither consulted with Orton about the message of the advertisements nor about how that message should be financed.

In sum, the General Counsel's reliance on this argument that somehow Orton's comments to Norton could constitute coordination is unprecedented and legally insupportable. Our legal system is premised on the idea that individuals should only be held liable for the foreseeable consequences of their actions. The General Counsel seeks to overturn that premise in this case. Orton's sole "act" was telling Norton that he did not want his campaign to raise the issue of Snow's business dealings. Even if such a statement was the impetus for Norton's subsequent actions, such actions were certainly not reasonably foreseeable by Orton. What response could Orton have made to Norton's inquiry that would not have aroused the General Counsel's suspicions? If he stated that his campaign was going to use the Snow issue, he would have been lying. If he had remained silent, that too might have piqued Norton's interest. Orton chose to tell the truth. He did not want his campaign to use that issue. He did not tell Norton this with a wink, smirk or any indication that Norton should disregard the obvious intent of Orton's clear words. That Norton would feel the need

9704383108 6

to act on these word is both beyond Orton's control and was completely unforeseeable. Since it was beyond the foreseeable consequences of Orton's actions, it cannot be the basis for an action against him.

Finally, perhaps recognizing the weakness of its "evidence", the General Counsel contends that under 11 C.F.R. § 109.1(b)(4)(i)(B), the Commission should presume the expenditures were coordinated because they were made by or through someone who received compensation from the Orton campaign.[14]

First, the activities of UEG were not made "by or through" Kinsel. Kinsel had a peripheral role in UEG throughout its short existence. See Murdock Tr. at 38. Indeed, the principals, Murdock and Norton, did not even consider him part of UEG. Id.; Norton Tr. at 57 (Kinsel was "not materially involved." Norton later confirmed that Kinsel was "peripheral".) From time to time Kinsel attended a meeting or participated in a conversation regarding UEG. Even the General Counsel notes in his brief that both Norton and Kinsel testified that Kinsel's role in UEG was quite limited. Gen. Counsel's Brief at 15 n. 14. (Kinsel testified that he "wasn't pivotal.")

Whatever Kinsel's involvement was with UEG, it was independent of the campaign. As he states and restates in his affidavit and deposition, he never coordinated the activities of UEG with Orton or the campaign. The only knowledge he had from Orton, which was nevertheless publicly available, was that Orton had no intention of raising Snow's involvement in the stock fraud scheme during his campaign. The possession of knowledge on general campaign strategy available to any member of the public under any legal theory could not constitute coordination.

---

[14]Kinsel did not in fact receive compensation from the Orton campaign. He received a $350 reimbursement for expenses he incurred while he was working as a volunteer on the campaign. Kinsel Aff. ¶ 6.

9704383107

The General Counsel fails to note in its contention that Kinsel resigned from the campaign, in protest over Orton's refusal to pursue the penny stock issue in his own campaign. In other words, Kinsel refused to accept any further directive from Mr. Orton. He was no longer under Mr. Orton's control and he did not take any actions, including attending any discussions with UEG principals, with Orton's knowledge or consent. It is simply not believable that the General Counsel would attempt to make a case against Orton, involving a finding of liability against him, for the actions of a volunteer who refused to accept Mr. Orton's position on Mr. Snow and the penny stock issue and disassociated himself from the campaign precisely for that reason.

Moreover, Kinsel's role as a volunteer with the campaign and subsequent occasional participation in UEG is in no way determinative of coordination. Even if, as the General Counsel argues, a presumption of coordination is raised by Kinsel's receipt of a $350 reimbursement from the campaign, the direct evidence defeats that presumption.[15] Cf. Phillips v. Riverside, Inc., 796 F. Supp. 403, 407-08 (E.D. Ark. 1992) (presumption rebutted by production of testimony to the contrary). All of the principals in UEG, Kinsel himself, and Orton have provided sworn testimony that no coordination occurred. Thus, any presumption of coordination is directly rebutted.

Indeed, the Commission has found no coordination in cases which involve vastly more involvement by overlapping paid consultants. For example in MUR 3069, the Commission found no probable cause where a consultant was advising an independent committee on the Willie Horton television ads at the same time he was

---

[15]Clearly the General Counsel's reference to a "presumption" is to one that is rebuttable. Any attempt to create an irrefutable presumption would raise serious Constitutional problems.

9704383088

working on media projects for the Bush campaign. In that case Commissioner Josefiak wrote:

> All respondents flatly and emphatically denied any cooperation or consultation between the committees in the making of the . . . expenditures. The deposition testimony was believable and adequately explained the conduct of respondents agents.

Statement of Reasons at 2; Id. at 4 ("Any presumption or inference of coordination based on [overlapping consultant's] role is rebutted by the testimony . . ."). Indeed in MUR 2766, the Commission did not even find reason to believe where a campaign and an independent committee retained common consultants.

Here, we have nothing even approaching overlapping consultants or employees. Kinsel served as a volunteer to the Orton campaign for approximately two months until he resigned from the campaign. He subsequently chose to provide occasional assistance to UEG - not on any of the issues on which he had advised the campaign but rather on one issue from which the campaign had absolutely distanced itself. Based on these facts, the General Counsel's recommendation is nothing short of absurd and flies in the face of all relevant precedent.

IV. Conclusion

For the reasons stated, there is no basis for a finding of probable cause that William Orton, Orton for Congress or Jennifer Wilson as treasurer for Orton for Congress violated 2 U.S.C. § 441a(f) or 2 U.S.C. § 434(b). Respondents request that the Commission reject the General Counsel's recommendation and dismiss this matter with no further action.

Indeed, the General Counsel's conclusions in this case are so remarkable, it is apparent that they are based, not on the circumstantial evidence discussed at length in his Brief, but rather on the belief that Congressman Orton and the UEG participants

9704383089

did not testify truthfully. Despite uniform and lengthy testimony from everyone involved that no coordination occurred, the General Counsel recommends that the Commission find Congressman Orton and his campaign worked hand-in-hand with UEG to publicize the stock fraud issue. Such a finding in the face of the evidence in this case would be unprecedented and unsupportable, particularly in a case that implicates the exercise of core First Amendment freedoms.

Even the General Counsel concedes the weakness of his evidence. (Taken together, the facsimile message, the telephone conversations and the "Darger evidence" "demonstrate that there were multiple communications during which Orton, or persons associated with him or his committee, could have coordinated or consulted with participants in UEG.") (emphasis added) And yet, all of the evidence collected by the General Counsel through this lengthy investigation demonstrates that no coordination did in fact occur. Surely, this is not the basis on which the Commission could fairly or reasonably make a probable cause finding. In light of the overwhelming evidence, a finding of probable cause based on what "could have" happened, but did not according to every single witness, would violate any standard of reasonableness.

Respectfully submitted,

Robert F. Bauer
John M. Devaney
B. Holly Schadler
Counsel to Respondents

9704383090

Affidavit of Kenneth Murdock

9704383109 1

BEFORE THE FEDERAL ELECTION COMMISSION

* * * * * * * *

In the Matter of	)	
	)	MUR 3192
Utahns for Ethical Government and Scott Lee Norton, as treasurer	)	AFFIDAVIT OF KENNETH MURDOCK
	)	
	)	

* * * * * * * *

STATE OF UTAH)
: ss
COUNTY OF UTAH)

I, KENNETH MURDOCK, after being duly sworn, hereby declare and state as follows:

1. I am currently the Chairman of the Board of Murdock Madaus Schwabe. In October 1990, I was Chairman of the Board of Murdock Healthcare.

2. In 1990, I joined with others to form Utahns for Ethical Government ("UEG"). My purpose for being involved in the organization was to expose and make the public aware that Mr. Karl Snow was involved in shady business dealings and had lied to the public about his involvement.

3. I have reviewed General Counsel's July 19, 1995 Brief in this matter, and, in particular, have reviewed the entries on page 16 of the brief that represent telephone calls made either to or from my cellular phone or residence from October 18 to 25, 1990.

4. When I was deposed by the Office of General Counsel of the Federal Election Commission, I was not informed of or shown any

9704383109 2

telephone records that list these conversations and counsel did not discuss any of the listed conversations with me.

5. My review of General Counsel's summary of those telephone calls has refreshed some recollection of the calls in the summary.

6. Three of the eight telephone calls listed were three minutes and one other call was only five minutes.

7. Although I do not recall the specific subjects that were discussed during those telephone calls, the calls appear to be of a duration where the caller would have had little time to do more than engage in friendly conversation and leave a message.

8. The only telephone call listed in the brief which is over eight minutes is an October 25, 1990 telephone call from Congressman Orton's cellular telephone to my residence. It appears as two telephone calls but was most likely one 25 minute telephone call during which the call appears to have been disconnected.

9. In an attempt to identify the specific subjects of that telephone call, I have reviewed various business records from that period of time. Both those records and my refreshed recollection strongly suggest that the telephone calls were made to Congressman Orton in conjunction with legal advice that he was giving to Murdock Healthcare or my family. I specifically remember that the actions of Utahns for Ethical Government ("UEG") were not discussed in these or any other telephone calls listed on page 16.

10. For numerous years until his election, Congressman Orton was on retainer to Murdock Healthcare consulting with me, Murdock Healthcare, and its employees on a variety of legal issues. During

9704383109 3

October, 1990, he was giving me and Murdock Healthcare advice on legal advice on tax matters, heavy financial losses experienced by the company during 1990, the potential sale of a majority of the company's stock, the decision whether to pay off a $500,000 tax exempt bond, and an ongoing litigation matter.

11. All of the eight listed telephone calls were either from my cellular telephone or to my residence.

12. During this period of time, my wife Kristin sometimes used my cellular telephone and, of course, had access to the telephone at our residence.

13. During this period of time, it is also likely that Congressman Orton was consulting with Kristin and me regarding family trust matters.

14. Kristin has never been involved in the decision-making of UEG in any respect.

15. Although I do not specifically recall the subject matter of the one telephone call over ten minutes, it was most likely regarding one of the many legal issues listed above that Congressman Orton was working on for me at that time.

16. In summary, never at any time did I coordinate the expenditures or activities of UEG with Congressman Orton or representatives of his campaign.

9704383 1094

Dated this 15th day of August, 1995

Kenneth Murdock

SUBSCRIBED and SWORN to before me this 15th day of August, 1995.

NOTARY PUBLIC
Residing at: Springville, Ut

My Commission Expires:

4-4-99

NOTARY PUBLIC
BLENDA OSBORN
10 Mountain Springs Parkway
Springville, UT 84663
My Commission Expires
April 4th, 1999
STATE OF UTAH

9704383 10095

Affidavit of Sheldon Kinsel

9704383109 96

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of William H. Orton Orton for Congress and Jennifer Wilson, as Treasurer	MUR 3192

Sheldon Kinsel, being first duly sworn, deposes and states as follows:

1. The information contained in this affidavit is based on my personal knowledge.

2. I am a resident of Heber, Utah. I am self-employed as a natural resources policy consultant.

3. From approximately mid-August 1990 until October 10, 1990, I worked as a volunteer for the Orton for Congress campaign. Prior to working for the Orton campaign, I had never met Bill Orton. I decided to volunteer for Mr. Orton's campaign after learning about Mr. Orton and his positions on various political issues through media reports.

4. Prior to volunteering for the Orton campaign, I had worked for other political campaigns as a volunteer or a paid staff member. My experience included working for the Wayne Owens for Congress campaign in Utah in 1972, the Carter for President campaigns in 1976 and 1980, and the Brian Moss for U.S. Senate campaign in Utah in 1988. I also worked on campaigns for municipal offices in Heber City, Utah, in 1987 and 1989.

9704383109 7

5. As a volunteer for the Orton campaign, my activities included advising Mr. Orton and the campaign on issues and strategies. I prepared issue papers for Mr. Orton on several substantive, legislative issues and assisted Mr. Orton in preparing for campaign debates. The issues that I researched and for which I prepared issue papers included several issues relating to natural resources and wilderness, the probable revenue potential of a transfer tax that Mr. Orton was advocating, defense spending, education spending, governmental reorganization, and issues relating to the Mid-East, among others.

6. During the entire period that I worked for the Orton campaign, I was always a volunteer and was not paid for any of my services. I have been told that a disclosure report filed by Orton for Congress shows that the Orton campaign paid me a consulting fee of $350 on October 8, 1990. The report is incorrect. The payment I received on October 8, 1990, was to reimburse me for expenses I had incurred in performing my volunteer activities on behalf of the campaign for which I submitted records and receipts. It was not a consulting fee. The expenses I incurred consisted primarily of charges for telephone calls and travel costs -- primarily car mileage -- I incurred driving to debates and campaign events. These expenses also included copying costs I paid at libraries while I was researching campaign issues and preparing issue papers.

7. After I began performing volunteer work for the campaign, I read reports in the media that Karl Snow had been involved in a stock fraud scheme involving Michael Strand, who had twice before been convicted of federal crimes relating to penny stock transactions. I felt strongly that the Orton campaign should make Mr. Snow's reported involvement in this scheme an issue in the campaign, and I urged Mr. Orton to do so. Mr. Orton responded by stating that he did not think the issue was appropriate for the campaign, and that he did not want the public's attention diverted from the substantive issues of the campaign to his opponent's character. He said he would not inject the issue

9704383109

into the campaign, and that he would fire anyone on his campaign who attempted to raise the issue. It was clear to me that Mr. Orton did not want the issue pursued. I did not interpret this as a suggestion that, while Mr. Orton would not raise the issue, someone else should pursue it.

8. I strongly disagreed with Mr. Orton's refusal to raise the stock fraud issue. I felt that the issue demonstrated Mr. Snow was unfit to hold office, and that the Orton campaign had a responsibility to bring the issue before the voters.

9. Because of my disagreement with Mr. Orton's refusal to raise the stock fraud scheme as a campaign issue, I resigned from my volunteer position with the Orton campaign on October 10, 1990. In a letter I wrote to Mr. Orton on that date, I explained that I was resigning because of my disagreement with his refusal to allow his campaign to focus on Mr. Snow's reported involvement in the stock fraud scheme. When I resigned, I was in the middle of completing several issue-related papers and briefings that I was preparing for the campaign. Although my day-to-day work on the campaign ended on October 10, I did continue the small amount of work that was necessary to complete these projects.

10. In the weeks following my resignation from the Orton campaign, I continued carrying out responsibilities associated with our small business and also worked at various times with Kenneth Murdock, Scott Norton, and Eric Schulzke who had formed a group that became known as Utahn's for Ethical Government ("UEG"). UEG's primary purpose was to publicize the issue of Mr. Snow's involvement in the stock fraud scheme by reprinting articles that Mr. Schulzke had written for student newspapers as inserts in newspapers with broader circulation.

9704383 1099

11. In the three-and-a-half weeks that elapsed from the time I resigned from the Orton campaign until the election, I never discussed any of UEG's activities with Mr. Orton or anyone else from his campaign. I knew that Mr. Orton was opposed to injecting the issue of Karl Snow's involvement in the stock fraud scheme into the campaign, and, that if I or anyone else wanted to do so any such efforts had to be truly independent. For this reason, I did not discuss UEG's activities with Mr. Orton or anyone on his campaign. Knowing Mr. Orton's opposition to raising this issue, I also did not want his campaign to have even an appearance of being associated with UEG's activities and, therefore, I deliberately did not discuss any of UEG's activities with Mr. Orton or anyone from his campaign. To this day, I have never discussed UEG's activities with Mr. Orton in any detail.

12. I have seen copies of telephone records showing that in the period from October 17, 1990, through November 4, 1990, one telephone call was placed from my residence to Orton campaign headquarters, five calls were placed from Orton campaign headquarters to my residence, and six telephone calls were placed from my residence to Mr. Orton's residence. When I gave testimony to the FEC, I was not shown the telephone records that list these conversations, and I was not asked any questions about the conversations.

13. I am absolutely certain that I did not discuss UEG's activities during any of these conversations, and that I never discussed UEG activities with Mr. Orton or anyone from his campaign.

14. While I do not recall the precise subjects I discussed in the telephone conversations with Orton campaign headquarters, I did have several communications with people working on the campaign after I submitted my resignation on October 10. These

9704383100

communications concerned campaign projects that I did not complete until after I resigned. Some of these conversations are undoubtedly reflected in the telephone records. In addition, after I resigned, I talked to people working on the campaign on several occasions to assist them in locating issue papers and files that I had prepared while I was working on the campaign. It is likely that some of the conversations reflected in the telephone records involved me telling campaign workers where to find files and issue papers I had prepared.

15. Of the telephone calls placed from my residence to Mr. Orton's residence, two of them were for three minutes and one was for five minutes. These calls were placed by either me or my wife. At different times, as I recall, my wife and I attempted to reach Mr. Orton to discuss whether it would be appropriate for us to attend an Orton campaign party on election night. If we were to attend, we anticipated that we might have had to spend the night in Provo, and this would have required us to have employees at the day care center we were running at the time cover for us on the morning after the election. Accordingly, on several occasions, as I recall, either my wife or I tried to reach Mr. Orton to discuss this issue. Given the length of the calls that were for three minutes and for five minutes, it is likely that my wife or I reached someone other than Mr. Orton or his answering machine when we placed the calls. Mr. Orton's parents sometimes stayed with him in the weeks before the election. There may have been at least one or two occasions where one of Mr. Orton's parents answered the phone when Mr. Orton was not home. On these occasions, it would be likely that my wife or I talked briefly with his parents.

As for the remaining telephone calls, the telephone records show that three calls were placed from my residence to Mr. Orton's residence on November 4, 1990. When I gave testimony to the FEC, I did not recall conversations with Mr. Orton concerning

9704383110

subjects other than whether I would attend the election night party. However, upon seeing the records of these November 4 calls, I recall that the Sunday, November 4, 1990, editions of the Salt Lake Tribune and Deseret News reported the results of election prediction polls that showed Mr. Orton cutting into Mr. Snow's lead. I knew from similar polls that these papers had published while I was working for the Orton campaign that Mr. Orton did not receive these papers at his home. Accordingly, I called him early in the morning on November 4 to tell him about the poll results. In this conversation and in one or two other conversations on the same day, we talked about the poll results and the best way for him to respond to questions about the polls.

I also recall that in the November 4, 1990 edition of the Utah County Journal, Mr. Snow ran a newspaper advertisement consisting of a photograph of Mr. Snow posing with his family and a photograph of Mr. Orton -- who was unmarried at the time -- by himself. The advertisement attempted to show that in contrast to Mr. Orton, Mr. Snow was a family man with family values. To the best of my recollection, in the conversations that we had on November 4, Mr. Orton and I discussed this advertisement and how Mr. Orton should respond to it.

16. I understand that the FEC staff has concluded that the calls I placed to Mr. Orton on November 2, 3, and 4 are evidence that I was coordinating UEG expenditures and activities with Mr. Orton. As I stated earlier, I have to this day never discussed UEG's activities with Mr. Orton in any detail. I never discussed them with him during the campaign. Moreover, by the time of these calls, I was not directly involved in the few UEG activities still ongoing, so there was no coordination that I could have done. To the best of my recollection, I was either not involved at all or had very little involvement with the newspaper advertisements that UEG ran in the Provo Daily Herald on Sunday, November 4, 1990 and Monday, November 5, 1990. In addition, I recently

9704383102

called the Daily Herald and was informed that under the operating procedures now, and to the best recollection of the staff, under the procedures in place then, the paper would have required the advertisements to be submitted for publication no later than noon on November 2. All the telephone calls listed in the records for November 2-4 were placed after that time.

17. To the best of my recollection, I also was either not involved at all or had very little involvement with the radio advertisement that UEG ran on station KSL in Salt Lake City on Monday, November 5, 1990. I recently contacted KSL and learned that under the station's operating procedures, it is generally required that radio advertisements that are to run on a Monday must be submitted by the preceding Friday. Accordingly, it is likely that all the telephone calls listed in the records for November 2-4 were placed after UEG submitted the advertisement to KSL.

18. In sum, at no time did I coordinate or discuss any UEG activities with Mr. Orton or anyone from the Orton campaign.

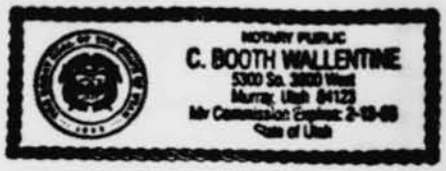
9704383110 3

Executed on August 15, 1995.

Kit Sheldon Kinsel
Sheldon Kinsel

Sworn and subscribed to before me:

C. Booth Wallentine
Notary Public



My Commission expires: 2-13-96

9704383110 4

9704383105

Attachment 1

The Salt Lake City Tribune
Nov[illegible] 4, 1990

Challengers In House Races Gain

By Laura Niedhart
And John Furgurson

Challengers in Utah's congressional races are riding a wave on anti-incumbent sentiment and are gaining ground on all fronts, according to the latest Utah poll.

THE UTAH POLL

In the 2nd District, Congressman Wayne Owens' lead over Genevieve Atwood fell from 22 points in October to just seven points this week. When polling "those most likely to vote" the race is even tighter, with Owens leading 47 to 45 percent. With 6 percent undecided and a standard margin of error of 5.7 percent the race is a virtual dead heat.

Atwood has capitalized on the growing anti-incumbent mood by focusing on Owens's involvement in the federal budget debate. Her support within the Republican party has increased 10 percent since the last poll while Owens maintains almost a third of the GOP vote. Support for Atwood is highest among young voters, age 18-29, while non-Mormons are rallying behind Owens.

Results from the 1st District congressional race also indicate a shift in support away from the incumbent. In that race six-term Congressman James Hansen still holds a comfortable lead, although Democrat Kenley Brunsdale has gained ground significantly in the last two weeks.

Brunsdale now holds 32 percent of the vote to 57 percent for Congressman Hansen. These results show an abrupt 9 percent swing for Brunsdale since the last Utah Poll was conducted Oct. 8-11. Reva Wadsworth has 3 percent, and 8 percent of those polled remain undecided.

In one of this year's most volatile races Republican Karl Snow and Democrat Bill Orton are running neck and neck for the 3rd District Congressional seat.

Snow, who many see as the political insider of the race, currently leads 44 to 38 percent with 14 percent still undecided. Among "those most likely to vote," Snow leads 44 to 40 percent. With the large amount of

These results represent a significant gain for Orton, who just three weeks ago was losing by 15 percentage points. Orton's gain could be attributed to the controversy surrounding Snow's so-called penny-stock transaction. An anti-Snow campaign flier has been distributed questioning the candidate's credibility.

Here are where the candidates stand compared to the last two Utah Polls.

DISTRICT 1

	Nov.	Oct.	Sept.
James Hansen	57%	61%	67%
Kenley Brunsdale	32	23	26
Reva Wadsworth	3	6	N/A
Undecided	8	10	14

DISTRICT 2

	Nov.	Oct.	Sept.
Wayne Owens	47%	58%	54%
Genevieve Atwood	42	36	34
Eleanor Garcia	1	1	N/A
Lawrence Topham	1	1	N/A
Undecided	6	4	11

DISTRICT 3

	Nov.	Oct.	Sept.
Karl Snow	44%	50%	43%
William Orton	38	38	31
Robert Smith	4	2	N/A
Anthony Dutrow	0	1	N/A
Undecided	14	11	26

N/A: Not asked in September Poll

The poll was conducted over the telephone between Monday and Thursday of last week by the research firm, Bardsley & Neidhart Inc.

Results for district races are based on a sample of approximately 300 registered voters with a standard error of 5.7 percent, plus or minus

Commission Race: V 2

9704383106

ipaigners on Homestretch;
ers Soon to Decide Races

The Salt Lake City Tribune
November 4, 1990

ar L. Parker
olitical Editor
ter last look at can
es this weekend in
Tuesday's general
by the initiative to
sales tax and the
presidential races
s enough to spur a
uncertain. Typical
12 year cycle elec
— without a U.S.
ors race — pro
ots for voter turn

current of anti-in
being inflamed by
the British-style
quickly following
Congress little more
is seen as fodder to
ort voters and sur
servers.
here's what faces

e voting on the ci
ative. A to remove
om groceries, the
ted by a 55 percent
ago. It also is draw
ecific arguments
ot afford the $113
loss) versus those
s claims and claim
repeal of the tax
ity.
other statewide bal
for all voters —
onal amendments
rify language that
ervice districts to
ty services and ex
powers of govern
it-defined class
Hansen,
ublican, and Con
Owens, 2nd Dis
eturn to the voters
me almost a refer
different session
on the deficit-re
package; Rep.
ep. Owens for ex
tor attention this
to replace retiring
resman Howard
District — a race
es and counter
acial impropriety
ough the general
changed the com
district from quiet
ling struggle be
Karl Snow, and
on.
the partisan bal
everywhere in the
e 76 members of
Representatives

— A non-partisan ballot is also featured in many [illegible] contests for local [illegible] fill half the [illegible] Board. Voters [illegible] highly populated [illegible] should also be aware they can face a [illegible] judges from appellate [illegible] and juvenile [illegible] election on a [illegible]

— Finally, [illegible] are localized [illegible] city, county and school districts, matters ranging from changes in the structure of local governments to bond issues for public improvements and taxing authority for school systems and extension of bus-transit services.

Voters who will be out of town on election day may still cast absentee ballots with respective county clerks during regular business hours Monday.

On Saturday, candidates still sought support with a final flurry of advertisements, debates or personal campaigning. Genevieve Atwood, former state geologist, sought to rally Republican enthusiasm in her attempt to topple two-term Rep. Owens. She campaigned in tandem at a shopping mall with GOP Sens. Jake Garn and Orrin Hatch.

The senators also joined with Republican Gov. Norm Bangerter in a ceremonial state Capitol endorsement of Mr. Snow of the 3rd District, trying to evoke party loyalty behind the former state senator. He is facing what appears to be the strongest Democratic challenge in the most-Republican district in the nation since it was formed in 1982.

In each congressional district, there are also alternative, so-called third party or minor party candidates.

In the 1st District, dominated by northern Utah, Rep. Hansen, 58, Farmington, will be able to serve 12 years in Congress if he wins a sixth term Tuesday. His primary foe is Kenley Brunsdale, a 33-year-old Democrat from Bountiful, and former Washington administrative assistant to Rep. Owens of the 2nd District. Also competing is Reva Marx Wadsworth, 64, North Salt Lake, of the American Party, ex-PTA official and teacher in Davis County.

The Salt Lake County 2nd District candidate list includes Eleanor Garcia, 38-year-old Geneva Steel foundry worker and labor organizer, and Lawrence R. Topham, 54, Independent Party, an almost perennial candidate for various offices who champions monetary stability. Ms. Atwood, 44, a former state legisla-


Party C[illegible]
tively. Tuly[illegible]
operation[illegible]
and Roper[illegible]
ville meeting[illegible]
Mr. Orton, 42[illegible]
living in Provo[illegible]
viability for[illegible]
in challenging[illegible]
Young University[illegible]
professor who[illegible]
a visiting fellow[illegible]
Quayle last year.
Facing the dominant Democratic side, the Republican candidates[illegible] challengers[illegible] to a no-tax[illegible] ing the[illegible] vocating[illegible] budget[illegible] to accomplish[illegible]

Attachment 2

9704383110 8

ATTN: Kathy — 1990 - Utah County Journal





Some candidates want you to believe that thei personal values don t matter.

Most issues facing the United States Congress seriously affect our families.

Values Do Matter!

Vote Republican

Paid for by the Utah Republican Party.

9704383110 9

Attachment 3

9704383110

EXHIBIT Orton No. 12
Date: 7-10-95
Reporter: Emma N. Lynn

Nielson Backs Snow Despite Past Dealings

10/31/90 Tribune

By John Keahey
Tribune Staff Writer

Retiring Rep. Howard Nielson, while reaffirming his support of fellow Republican Karl Snow for his 3rd Congressional District seat, said Tuesday his friend showed "poor judgment" in penny-stock dealings in the mid 1980s.

The four-term Utah congressman, at a State Capitol news conference, also said Mr. Snow showed "uncharacteristic" behavior in referring to organized detractors as polygamists and convicted felons.

"I don't think he owes [the detractors] an apology," Rep. Nielson said. "He may have used language that is uncharacteristic of him by characterizing the group that was assaulting him. I would not have done what he did. I don't think there's any legal action [the group can bring against Mr. Snow] because everything he said is true."

Rep. Nielson was referring to a call late Monday for Mr. Snow to retract comments he made about members of Utahns for Ethical Government.

Mr. Snow referred to them as "convicted felons, known criminals, polygamists and other corrupt lawmakers," according to a letter to the candidate from an attorney for group spokesman Scott Norton, a Utah County businessman.

The group last week detailed what it said was unethical behavior by Mr. Snow in his involvement with the penny-stock market in 1985. Mr. Snow called his own news conference a day before the group met with reporters to diffuse anticipated accusations.

"There's no question [Karl] used poor judgment" in his stock-market dealings," Rep. Nielson said. "I

See B-2, Column 5

Nielson Backs Snow Despite De

Continued From B-1

think if he had told everything initially, it would have been better for everyone concerned. Karl was in debt after his failed governor campaign [in 1984] and was trying to make money. I don't think investing unwisely is necessarily a problem."

Because of the controversy over finances and the hard-fought primary campaign between Mr. Snow and ultra-conservative John Harmer, Rep. Nielson said some people think the congressman's support of Mr. Snow "is wavering. I'm very strong for him," he said before launching into a detailed description of the candidate's background.

"I do think the primary campaign was dirty on both sides. In my 35 years since I came back to Utah, I've never seen as dirty a campaign on all sides," the veteran Utah lawmaker said.

With less than a week to go before the election, news releases from all players in the 3rd District campaign continue to flow into media offices.

Utahns for Ethical Government, following their call for a Snow retraction, complained Tuesday that Utah GOP Chairman Richard Snelgrove refused to call a third panel to look into Mr. Snow's financial dealings.

Mr. Norton's statement said his organization "has new information" to challenge results of previous reviews that exonerated the candidate.

Democratic candidate Bill Orton, characterized by Mr. Snow as participating in attempts to discredit him, also jumped into the fray late Monday by characterizing his opponent as "a man drowning in his own bad publicity. I am not the root of Karl Snow's problems over his financial past. I am not Karl Snow's accuser."

Mr. Orton said Mr. Snow is trying "divert attention from his own problems and attempting to shift the political stench to me."

* Nielson is repeating and reaffirming Snow allegations again NORTON & Mord By stating "Everything he said is true".

SLANDER & DEFAMATION Repeated.

9704383

97044 383 1112

BEFORE THE FEDERAL ELECTION COMMISSION

In the matter of

William Orton, et al.) MUR 3192

GENERAL COUNSEL'S REPORT

I. INTRODUCTION

This matter, which was generated by a complaint filed by Sheldon Bradshaw, concerns events surrounding the 1990 general election for U.S. Representative from Utah's Third Congressional District. It principally involves allegations that assertedly independent expenditures made by two groups, Utahns for Ethical Government ("UEG") and Republicans for Orton ("RFO"), were in fact coordinated with William Orton or his principal campaign committee, Orton for Congress ("OFC"). On December 13, 1994, the Commission found reason to believe that various individuals, political committees, and other organizations violated numerous provisions of the Act.[1] This Office conducted an investigation. See 2 U.S.C. § 437g(a)(2).

On July 19, 1995, this Office sent probable cause briefs to Respondents. 2 U.S.C. § 437g(a)(3). The first recommended that the Commission find probable cause to believe that Orton and OFC and Jennifer Wilson, as treasurer, violated 2 U.S.C. § 441a(f), and that OFC and Jennifer Wilson, as treasurer, violated 2 U.S.C.

---

1. The Commission had made similar findings on October 20, 1992. The December, 1994 findings were made consistent with the Commission's practice following FEC v. NRA Political Victory Fund, 6 F.3d 821 (D.C. Cir. 1993), petition for cert. dismissed for lack of jurisdiction, 115 S. Ct. 537 (1994).

§ 434(b). The second recommended that the Commission find probable cause to believe that UEG and Scott Lee Norton, as treasurer, violated 2 U.S.C. §§ 433(a), 434(b), 441a(a)(1)(A), 441b(a), 441d(a), and 441f. The third recommended that the Commission find probable cause to believe that Fugal & Fugal Inc., and Peggy Fugal, as an officer, violated 2 U.S.C. § 434(c), 441b(a), 441d(a), and 441f. Response briefs have been submitted on behalf of all of these respondents.[2]

This report has several purposes. First, it analyzes and responds to arguments raised by respondents and renews the recommendations made in this Office's briefs. Second, it describes and analyzes attached proposed conciliation agreements, which this Office recommends the Commission approve. Finally, it reports on the results of this Office's investigation with respect to RFO and its treasurer, Jacqueline F. de Gaston.[3]

9704383112

---

2. One brief was submitted on behalf of Orton and OFC. It will be referred to throughout this report as "Orton's brief."

3. As this Office reported to the Commission on April 28, 1995, this matter is arguably affected by the decision of a judge of the U.S. District Court for the District of Columbia in FEC v. Nat'l. Republican Senatorial Committee, No. 93-1612 (D.D.C. Feb. 24, 1995). The five-year anniversary of the initial violation in this matter will occur October 26, 1995. This Office continues to recommend that the Commission not concede the applicability of 28 U.S.C. § 2462 or any other statute of limitations to Commission enforcement actions. Nevetheless, we would hope to file any necessary litigation in this matter on or before October 26.

Should the Commission adopt the probable cause recommendations herein, this Office would intend to report to the Commission not later than the October 17 Executive Session regarding the progress of conciliation and the advisability of suit authorization.

II. PROBABLE CAUSE AND RELATED RECOMMENDATIONS

A. Coordination Between UEG and Orton and/or OFC

(General Counsel's Briefs dated July 19, 1995, incorporated herein by reference).

Orton's brief and that of UEG fail even to contest the critical facts that establish coordination in this matter. First, Respondents do not dispute that UEG was formed by Scott Norton precisely because Orton told him that Orton would not make a campaign issue out of Karl Snow's business ties. Second, Respondents do not dispute that Sheldon Kinsel, who had been an important adviser to Orton during the campaign on issues including Snow's business ties, took part in UEG's efforts to publicize negative information about Snow.

Unable to contest this evidence, Orton and UEG attack its purported "use" in support of an argument nowhere to be found in this Office's briefs. In addition, Orton, but not UEG, attacks this Office's reading of the enforcement precedent that supports a conclusion of coordination.

Orton and UEG reserve much, if not most, of their criticism for this Office's reliance on telephone records and other evidence that shows that UEG participants Kinsel and Kenneth Murdock had a large number of opportunities for direct coordination of UEG activities with Orton or OFC. The telephone records in question were not in the Commission's possession at the time of Kinsel and Murdock's depositions. Now, having been shown copies of the telephone records by counsel for Orton and UEG, Kinsel and Murdock have executed affidavits purporting to establish their refreshed

9704383111 3

recollection regarding the subjects of the telephone conversations. However, these affidavits conflict with, rather than supplement, Kinsel and Murdock's deposition testimony, and in any event do not negate the critical facts establishing coordination between UEG and Orton or OFC.

1. Coordination through Norton and Kinsel

Respondents take issue with this Office's reliance on MUR 1272. In that matter, an individual was invited by a candidate's authorized committee to view a series of proposed television advertisements. The committee invited the individual in hopes that he would contribute money and solicit others for money so that the advertisements could be aired. The individual found the campaign's proposed advertisements "deficient and inadequate," and instead proceeded to form an unauthorized committee that produced and aired its own advertisements without authorization from the candidate or the authorized committee. MUR 1272, General Counsel's Report, November 22, 1982 (hereinafter, "MUR 1272"), at 4-5.

There, the Commission found probable cause to believe that the unauthorized committee had made excessive contributions to the authorized committee. The finding was based on the analysis that where purportedly independent expenditures are based in part on a person's knowledge of official campaign strategy -- even if the person makes the expenditures because they disagree with that strategy -- coordination occurs if the immediate source of the person's knowledge is the candidate or campaign. This is so because in such situations, the unauthorized expenditor is able

9704383114

through his contacts with the candiate or committee "to get a sense of what kind of . . . campaign [the candidate or committee] wishe[s] to conduct," and acts "only after obtaining important information about the . . . campaign as a result of direct contact with the" candiate or committee. MUR 1272 at 5.

Even if all of the evidence of later communications between Orton or OFC staff and UEG members was discounted, the facts about which there is no dispute fit squarely into the reasoning of MUR 1272. There is no dispute that, after reading an article in the Student Review that, in Norton's words, "took the details of [Republican nominee Karl Snow's businesss] activities and showed where he lied, just lied and got away with it," Norton was upset. MUR 3192, General Counsel's Brief (Utahns for Ethical Government), July 19, 1995, at 6. There is also no dispute that at about this time, Norton attended a private birthday party for Orton, and at the party urged Orton to make a campaign issue of Snow's alleged misfeasance. There is no dispute that Orton said, on that occasion, that he would not do so. And critically, respondents do not attempt to take back Norton's testimony that Orton's stated refusal to make an issue of Snow's business activities directly caused Norton to form UEG.[4] Like the founder of the independent expenditure group in MUR 1272, Norton learned of the official

9704383115

---

4. As described in this Office's briefs, Norton was asked in his deposition whether he would have done anything differently had Orton's response been different. Norton responded: "Yes. I wouldn't have become involved because my itch is scratched. I wouldn't have -- I could go back to becoming a spectator." General Counsel's Brief (Utahns for Ethical Government) at 6.

campaign position from the candidate or campaign, disagreed with the official campaign position, and acted on his disagreement.

Sheldon Kinsel's role in this matter is also similar to that of the individual whose acts were at issue in MUR 1272. Like the founder of the expending committee in MUR 1272, Kinsel had access to important "insider" information about Orton and his candidacy. Kinsel's role on the Orton campaign can be described no better than in respondents' briefs:

> As a volunteer with the campaign, Kinsel was responsible for advising Orton on substantive legisalative and political issues. He prepared position papers for Orton on a number of issues and assisted him in preparing for debates with Snow. As the only person associated with the Orton campaign who had any prior political experience, Kinsel served an important role.

Orton Brief at 10; UEG Brief at 11 (emphasis added). There is no dispute that Kinsel discussed Snow's business ties with Orton on several occasions, nor is there any dispute that Kinsel left Orton's campaign precisely because he disagreed with Orton's refusal to make a public issue of Snow's business ties. There is no dispute that after leaving Orton's campaign, Kinsel participated in the activities of UEG, or that, as with the Orton campaign, he was the only participant in UEG with prior professional political experience. There is no dispute that Kinsel used the knowledge of issues and personalities he had gained while working on the Orton campaign to advise Norton; as Norton testified, "what Sheldon knew was[,] he knew this guy . . . Karl Snow's campaign manager, watch out for him, he's vicious . . . Sheldon . . . knew the players and I didn't know the players . . . he would help me identify who was really asking the

9704383116

behind the reporters and why." General Counsel's Brief (Utahns for Ethical Government) at 15. This advice was given in the service of a group that had as its very reason for existence promotion of the critical issue on which Kinsel briefed Orton and over which Kinsel left the Orton campaign.[5] Thus, Orton's contention that Kinsel's assistance to UEG was "not on any of the issues on which he had advised [OFC]", Orton Brief at 41, is not supported by the evidence.

Instead of controverting these critical facts, Orton and UEG attack an argument this Office never propounded. They posit that this Office viewed Orton's conversation with Norton through the lens of "a 'nod and wink' theory which silently pervades the entire analysis." Orton Brief at 12. Having found a "theory" that was not there, Orton and UEG then excoriate this Office for "disturbingly" not including excerpts from Norton's deposition testimony in our briefs to refute a theory that appears for the first time in respondents' briefs. Id. at 14-15; UEG Brief at 14 (identical). In fact, this Office has never suggested that Orton's conversation with Norton was of the "nod and wink"

9704383117

---

5. Prior to his deposition, Kinsel produced a copy of a briefing memo he prepared for Orton in connection with Orton's joint appearance with Karl Snow on the "Take Two" program on Channel 2 in Salt Lake City on October 14, 1990. Attachment 1. The memo advised Orton to be ready for a "planted" question concerning articles about Snow's business ties in the Student Review, one of which was later reprinted in UEG's newspaper insert. In his deposition, Kinsel denied any involvement in the "planting" of the question. Deposition Transcript, Kit Sheldon Kinsel ("Kinsel Dep. Tr.") at 43.

Copies of the transcripts of the depositions of Eric Schulzke, Kenneth Murdock, Peggy Fugal, Scott Norton, Kinsel, Daniel Darger and William Orton are on file and available for review in the Docket Section of the Office of General Counsel.

variety, just as there was no suggestion of a "nod and wink" in MUR 1272. Orton and UEG's argument on this point is therefore inapposite.

Additionally, Orton (but not UEG) disputes this Office's reading of MUR 1272. According to Orton's brief, "[t]here was no 'disagreement with campaign strategy' in MUR 1272 . . . [a]lthough not made clear, the implication in MUR 1272 is that the independently produced advertisements were consonant with the campaign themes and messages being promoted by the official campaign in the unused spots," a distinction of "critical importance" between MUR 1272 and this matter. Orton Brief at 38. Contrary to counsel's attempted distinction, in MUR 1272, the expending committee admitted that, much as in this matter, the authorized committee's proposed television spots "did not address Gravel's record" and that "for this reason, [the group's founder] decided to help organize respondents" and produce advertisements that did. MUR 1272, Conciliation Agreement (Friends of Alaska), May 12, 1983, at 2.

Finally, Orton argues that Norton's actions based on Orton's words were "both beyond Orton's control and [] completely unforseeable," and that Orton and OFC should not be held responsible for those actions. Orton Brief at 41. Were there no other evidence of coordination than the conversation between Orton and Norton that led to UEG's founding, this argument would not be unreasonable; in MUR 1272, the Commission found probable cause but took no further action against the candidate's committee, while pursuing conciliation with the expending committee. However, as

9704383118

described in detail in this Office's briefs, there is ample other evidence of coordination between Orton or OFC and UEG.

2. The Kinsel and Murdock Affidavits

As noted, Respondents have produced affidavits from Kinsel and Murdock that attempt to explain away the conversations listed in the table on page 16 of this Office's brief to UEG. However, Kinsel's affidavit directly contradicts his earlier sworn deposition testimony. Moreover, Murdock's affidavit is either inconsistent with his sworn testimony or, if both accounts are accepted, presents a highly unlikely combination of circumstances.

In his deposition testimony, Kinsel betrayed no uncertainty or lack of recollection regarding the occasions on which he had contact with Orton or OFC staff after he left the campaign:

> Q. . . .I should say before I ask that question that when I use the term communications, I'm using it in a generic sense, including specifics such as face-to-face meetings, telephone conversations, exchange of mail, fax, E-mail, all that sort of thing.
>
> Having said that, let me ask you if, other than wrapping up those issues projects, you had any communication with Mr. Orton between the time you submitted [your resignation] and election day, November 6?
>
> A. Uh-huh. Yeah, because this came out in '92. I'm fairly specific about those few occasions where we would run into each other or whatever.
>
> [Kinsel then testified about delivering his last work to Orton's residence, about running into Orton briefly at Peter Billings's office, and about a conversation with Orton regarding Orton's election night party.]
>
> Q. Were there any other communications that you had with Mr. Orton between October 10th and November 6th?
>
> A. No.

Kinsel Dep. Tr. at 77-81 (emphasis added).

Now, Kinsel recants that testimony. Despite his unequivocal

9704383119

denial of any contacts with Orton other than those to which he testified -- testimony about which he was "fairly certain" because the issue had surfaced during Orton's 1992 reelection campaign -- Kinsel now claims to remember that on the weekend before the election he had conversations with Orton regarding news stories about the results of "election prediction polls" in Salt Lake City newspapers and a Snow advertisement in the Utah County Journal. Kinsel Affidavit ¶ 15. Moreover, not only does Kinsel's affidavit conflict with his testimony about the existence of the calls, his new recollection of the conversations' subject matter conflicts with his earlier account. At deposition, Kinsel testified that "[t]here were no polls taken by anybody between the month before the election and the election, so there was -- you know, I don't think even -- the state party may have taken a poll . . . ." Kinsel Dep. Tr. at 110.[6]

Additionally, Kinsel now asserts that, "on several occasions, as I recall, either my wife or I tried to reach Mr. Orton" to discuss whether it would be appropriate for Kinsel to attend Orton's election night party. Kinsel Affidavit ¶ 15. He further asserts that "[g]iven the length of the calls that were for three minutes and for five minutes, it is likely that my wife or I reached someone other than Mr. Orton or his answering machine

9704383120

---

6. Attached to Kinsel's affidavit are clippings of news articles purportedly concerning the polls in question. Kinsel's deposition testimony is recounted here not as evidence the polls were not taken but as further evidence that Kinsel's affidavit is inconsistent with his prior sworn testimony concerning the subjects of his communications with Orton.

when we placed the calls. Mr. Orton's parents sometimes stayed with him in the week before the election. There may have been at least one or two occasions where one of Mr. Orton's parents answered the phone . . . ." Id.

Kinsel's affidavit is again inconsistent with his sworn deposition testimony. First, the first three-minute call from Kinsel's residence to Orton's residence took place at 7:55 a.m. October 25, the day after UEG's initial press conference and 12 days before the election. Kinsel did testify that he spoke with Orton about whether it would be appropriate for him to attend Orton's election night party. However, at that time, before he had been contacted by Orton's counsel, Kinsel testified:

> And a couple of days before the election, I just asked him if there would be any problem -- if he thought there would be any problem if I came to the election night thing, because that would be a chance to see, you know, the rally, or the party, victory party, the defeated party, whatever it turned out to be. And that would have been a day or two before the election. And I didn't want to embarass him by showing up if that wasn't appropriate, and he said that would be no problem.

Kinsel Dep. Tr. at 79 (emphasis added). Moreover, Kinsel showed no awareness at his deposition that Orton's parents had been staying at Orton's residence. Kinsel testified in his deposition that after leaving Orton's campaign, he had no contacts with anyone closely associated with Orton other than OFC staff, attorney Daniel Darger, and Utah Democratic Party chair Peter Billings. When specifically asked if he had communciated during this period with anyone who resided at Orton's residence, Kinsel testified, "Well, he -- only he resided -- he was single at the time." Kinsel Dep. Tr. at 82, 154.

9704383121

While Kinsel asserted both in his deposition and his affidavit that he was certain he did not discuss UEG's activities with Orton or persons at OFC headquarters, Kinsel Dep. Tr. at 79 and Kinsel Affidavit at ¶ 13, he was unable to recall the specific subjects of his conversations with OFC staff in either the deposition or the affidavit. Kinsel Dep. Tr. at 81 (conversations "wouldn't have been substantial enough to remember") and Kinsel Affidavit at ¶ 13 (Kinsel does "not recall the precise subjects" of his conversations with OFC headquarters). Additionally, the inconsistencies between Kinsel's deposition and his affidavit concerning his conversations with Orton lead to the conclusion that he does not have specific recollection of those conversations, either. Accordingly, it is unclear how he can be certain that he never once, in the course of twelve telephone conversations -- one of which was the day after UEG was formed and one of which was on the morning after UEG's press conference -- mentioned UEG's activities to Orton or OFC staff.[7]

Murdock has also executed an affidavit, after his sworn deposition and in explicit response to this Office's briefs,

9704383122

---

7. In its briefs in this matter, this Office noted that Kinsel's involvement in UEG, combined with evidence that Kinsel had received $350 in fees or reimbursements from OFC, triggered the regulatory presumption of coordination at 11 C.F.R. § 109.1(b)(4)(1)(B). Orton argues that Kinsel's denials of coordination are sufficient to rebut this presumption. Orton Brief at 42. However, even if the presumption were rebuttable, and even if such denials constituted rebuttal evidence, such evidence, like all the other evidence in the record, would have to be weighed to reach a conclusion on the ultimate issue of coordination. Given the inconcistencies and uncertainties in Kinsel's testimony, the timing of the affidavit compared to the timing of his sworn deposition, and the other evidence in this matter, the proffered denials are worthy of little weight.

Murdock Affidavit at ¶ 3, in which he avers that he cannot remember with specificity the subject of the conversations but is sure they were not about UEG. Id. at ¶¶ 7, 15, 16.[8] As far as it goes, this is consistent with Murdock's deposition testimony, in which he said virtually the same thing. Transcript, Deposition of Kenneth Murdock ("Murdock Dep. Tr.") at 83. However, Murdock's affidavit goes on to state that certain of his business records (which he has not produced or even offered to produce) "strongly suggest" that his longest conversation with Orton was in connection with legal representation. Murdock Affidavit at ¶¶ 9, 10. "During October, 1990," the affidavit states, "[Orton] was giving me and Murdock Healthcare advice on legal advice on [sic] tax matters, heavy financial losses experienced by the company during 1990, the potential sale of a majority of the company's stock, the decision whether to pay off a $500,000 tax exempt bond, and an ongoing litigation matter." Murdock Affidavit at ¶ 10. In addition, Murdock states, "[d]uring this period of time it is also likely that Congressman Orton was consulting with [my wife] and me regarding family trust matters." Id. at ¶ 14.

There are several important things to note about Murdock's proffered explanation for the telephone calls. The first is that he does not purport to have specific recollection of any of the calls, but merely a strong suggestion concerning the longest one. Id. at ¶ 9. As with Kinsel, it is unclear how Murdock can be sure he never once mentioned UEG to Orton if he does not recall with

---

8. Like Kinsel's affidavit, Murdock's is attached to both Orton's brief and UEG's.

9704381123

specificity the subjects of the conversations.

Second, while it is impossible to tell for sure without possessing the business records to which Murdock alludes, the matters on which Murdock asserts Orton was providing legal services during October 1990 would appear to be weighty and important ones, requiring much of the attention of the chairman of a corporation charged with "represent[ing] and oversee[ing] the long term interest of the company." Murdock Dep. Tr. at 7. Yet Murdock testified that his involvement with UEG consumed substantially all of his time from the time UEG was begun until election day; indeed, he testified, he "barely showered during that three week period." Id. at 34, 81.[9] Moreover, the telephone billing records for Murdock's cellular phone show no calls to Orton's residence or OFC headquarters between July 6, 1990 and September 1, 1990, conversations of 2 and 3 minutes respectively on September 1 and 4, 1990, and no further calls until the series beginning October 18. See generally Attachment 2. Similarly, telephone billing records for Orton's cellular phone prior to October 17 show only calls to Murdock's business of 7 minutes on September 27 and a call of one minute or less to Murdock's residence on October 6. See generally Attachment 3.

9704383124

---

9. Orton's deposition testimony generally parellels Murdock's affidavit, but also leaves one wondering where either Orton or Murdock would have found the time to deal with legal and business matters as important as those on which the affidavit avers Orton provided advice in October 1990. Orton testified that "in the last two weeks before the election I got hardly no sleep at all, and was focusing mostly on trying to make public appearances and do debates and go out and I was still knocking on doors election day." Transcript, Deposition of William H. Orton ("Orton Dep. Tr.") at 110.

Thus, in order to credit the explanation for the calls offered in Murdock's affidavit, one would have to believe that the critical business matters referred to in the affidavit were in their period of most intense activity at the same time that Murdock was devoting substantially all of his time to UEG and Orton was campaigning virtually around the clock. Moreover, one would have to believe that the longest conversation about these matters -- a 25 minute conversation on the morning of October 25 -- occurred, coincidentally, the morning after UEG's press conference and less than an hour after a brief conversation between Kinsel and Orton.

3. Facsimile Transmission

As noted in this Office's briefs, other evidence of potential coordination in this matter included a copy of a facsimile transmission, apparently from Orton's facsimile machine, that contained a news clipping and a handwritten note concerning the retiring incumbent's repeating and reaffirming Snow's allegations against Norton and Murdock" and suggesting that the allegations were "SLANDER AND DEFAMATION Repeated" (capitalization in original). General Counsel's Brief (Utahns for Ethical Government) at 18; see also Attachment 4 to this report (copy of fax transmission).

UEG argues that "[t]here is no testimony or evidence obtained before, during or after General Counsel's investigation that contradicts Norton's sworn testimony" that to his recollection, "no one from UEG received a fax of this article from Orton." UEG Brief at 23. In fact, there is contradictory

9704383125

testimony and evidence. First, that the document was produced by UEG member Schulzke is in itself remarkable. Second, while Schulzke testified the clipping was not faxed to him, and while he could not remember how he came into possession of the copy of the fax transmission, he testified after seeing the clipping:

> See, when I collected these articles, they just kind of would -- I think they just filter into my possession. Like when we would have a stack of them we were going through, I would say this is interesting, I want to make a copy of it . . . Mostly I clip them myself, but some of them would be ones we would be piling through for research purposes, and so they would come from different sources to me.
>
> Q. When you say we would be piling through for research purposes?
>
> A. The group. It would have been Norton, Murdock, Sheldon and myself, or whoever was there at the time.

Transcript, Deposition of Charles E. Schulzke ("Schulzke Dep. Tr."), at 169, 170. It may be inferred from this testimony that Schulzke obtained his copy of the facsimile transmission from "Norton, Murdock [or] Sheldon."

4. Conclusion -- Coordination

Norton formed UEG and Kinsel assisted with it based on information obtained directly from Orton or from working on Orton's campaign, respectively. Thus, under the theory of MUR 1272, UEG was coordinated with OFC from its inception, and all of its expenditures were contributions to OFC. Moreover, there were repeated and continuous contacts between Orton or OFC and Murdock and Kinsel of UEG that presented ample opportunity for direct coordination, and, as set forth in this Office's briefs, there is other circumstantial evidence of direct coordination. See General Counsel's Brief (Utahns for Ethical Government) at 18-22, 27-28

9704383126

(facsimile transmission, role of Daniel Darger).

Accordingly, this Office recommends the Commision find probable cause to believe that Utahns for Ethical Government and Scott Lee Norton, as treasurer, violated 2 U.S.C. § 441a(a)(1)(A); and that William Orton and Orton for Congress and Jennifer Wilson, as treasurer, violated 2 U.S.C. § 441a(f). Additionally, because UEG reported its expenditures as independent expenditures rather than as contributions to OFC, this Office recommends the Commission find probable cause to believe that Utahns for Ethical Government and Scott Lee Norton, as treasurer, violated 2 U.S.C. § 434(c); and, because OFC did not report receipt of the contributions, this Office recommends the Commission find probable cause to believe that Orton for Congress and Jennifer Wilson, as treasurer, violated 2 U.S.C § 434(b).

B. Other Violations By UEG

1. Receipt of Corporate In-kind Contribution In the Names of Others from Fugal & Fugal, Inc.

UEG makes two objections to this Office's recommendation that the Commission find reason to believe that UEG and Norton, as treasurer, violated 2 U.S.C §§ 441b and 441f in connection with UEG's transactions with Fugal & Fugal, Inc. d/b/a Peggy Fugal Advertising. The first is that these violations were not the subject of reason to believe findings. However, the Commission may find probable cause to believe violations have been committed without a prior reason to believe finding if evidence of the additional violations is discovered during an investigation instituted pursuant to 2 U.S.C. § 437g(a)(2) and is briefed for the respondent. See, e.g., MURs 2615 and 2984.

9704383127

In this matter, Fugal & Fugal, Inc., which had purportedly acted as a vendor to UEG, was also a respondent with respect to activity it undertook on its own. Peggy Fugal acknowledged during her deposition that in-kind contributions UEG reported as made from Sherman and Jayson Fugal actually consisted of work performed by the corporation for which she did not want to charge UEG. She further acknowledged charging UEG less than Peggy Fugal Advertising's usual and normal charge for the services rendered. General Counsel's Brief (Utahns for Ethical Government) at 23-24.

The investigation of this matter was initiated pursuant to 2 U.S.C. § 437g(a)(2). Supra at 1. These particular violations were discovered during the investigation. The issue was fully briefed for respondents. Accordingly, this Office's recommendations with respect to the violations are properly before the Commission.

Second, UEG argues that no matter what the culpability of Fugal & Fugal, Inc., UEG should not be found to have violated either 2 U.S.C. § 441b or 2 U.S.C. § 441f because Norton did not know that Peggy Fugal Advertising was incorporated or that Sherman and Jayson Fugal did no creative work for Peggy Fugal Advertising. In support of this contention, UEG cites the dissent of Judge Pregerson of the U.S. Court of Appeals for the 9th Circuit in United States v. Goland, 959 F.2d 1449 (9th Cir. 1992). However, this argument is unavailing because Judge Pregerson was analyzing the level of scienter required for a knowing and willful -- indeed, a criminal -- violation of the Act. UEG's argument is essentially the same as that raised by a treasurer in FEC v. John

9704383128

A. Dramesi for Congress Comm., 640 F. Supp. 985 (D.N.J. 1986). There, a treasurer argued that he did not violate 2 U.S.C. § 441a(a) by accepting a $5,000 contribution from a committee that had not qualififed as a multicandidate committee because he did not know the contributor had not qualified as a multicandidate committee. The court rejected the argument. The circumstances presented by UEG may mitigate, but do not vitiate, its violations. Accordingly, this Office recommends that the Commisison find probable cause to believe that Utahns for Ethical Government and Scott Lee Norton, as treasurer, violated 2 U.S.C. §§ 441b and 441f. Additionally, because UEG incorrectly reported the contribution at issue, there is further probable cause to believe that Utahns for Ethical Government and Scott Lee Norton, as treasurer, violated 2 U.S.C. § 434(b).

2. Disclaimer Violations

UEG asserts that the disclaimer on its newspaper insert, Attachment 5 at 4, complied with the Act because the phrase "a non-partisan, independent citizens group" clearly communicated that the advertisement was not made in coordination with any candidate or candidate's committee. UEG admits that the disclaimers on its newspaper display advertisements (Attachments 6 and 7) and its single radio advertisement (Attachment 8) violated the Act, but asserts that any harm from the inadequate disclaimers was mitigated because by the time those advertisements appeared the audience knew who Utahns for Ethical Government was.

This Office disagrees. In the first place, in light of the conclusion supra that UEG's expenditures were coordinated with

9704383129

Orton or OFC, any statement of noncoordination would have been inaccurate and a violation of 2 U.S.C. § 441d(a). Moreover, even if UEG's expenditures had not been coordinated, the phrase "non-partisan, independent citizens group", without more, is not a clear statement of noncoordination with a candidate; it could as well mean, "We are not a political party" as "we are not authorized by any candidate." This Office also disagrees that the lack of any statement of coordination or noncoordination can be mitigated based upon the notoriety of the spending entity. Notoriety is not a substitute for an adequate disclaimer. See FEC v. Nat'l. Conservative Political Action Comm., No. 85-2898, slip op. at 8 (D.D.C. April 29, 1987) ("The Act and regulations . . . do not provide for disclaimers by inference[.]")

Accordingly, this Office recommends the Commission find probable cause to believe that Utahns for Ethical Government and Scott Lee Norton, as treasurer, violated 2 U.S.C. § 441d(a).

3. **Late Filing of Statement of Organization**

UEG concedes it filed its Statement of Organiztion nine days late, but contends this was at best a minor violation that should be heavily mitigated. UEG Brief at 42. This Office notes that UEG was required to file its Statement of Organization not later than November 5, 1990, the day before the general election. Hence, UEG's failure to timely file deprived the electorate of information to which it should have acess under the Act before going to the polls. This Office therefore recommends that the Commission find probable cause to believe that UEG and Norton, as treasurer, violated 2 U.S.C. § 433(a).

9704383130

C. Fugal & Fugal, Inc. and Peggy Fugal, As An Officer

The circumstances regarding violations by Fugal & Fugal, Inc. and Peggy Fugal, as an officer, are set forth in this Office's brief to these respondents and supra at 16-17. In her brief, Fugal "admits peforming the acts accused of," but asserts that she knew nothing of the election laws when she peformed them and therefore neither knowingly nor "willingly" [sic] violated the Act. Fugal Brief at 2. This Office has not accused Fugal or the corporation of knowing and willful violations; as for her contention that the violations were not knowing, suffice it to say that "a 'knowing' standard, as opposed to a 'knowing and willful' one, does not require knowledge that one is violating a law, but merely requires an intent to act." Dramesi for Congress, 640 F. Supp. at 987. Moreover, several of the provisions violated by Fugal & Fugal, Inc., including 2 U.S.C. §§ 434(c) and 441d(a), are subject to a strict liability standard.

Accordingly, this Office recommends the Commission find probable cause to believe that Fugal & Fugal, Inc. and Peggy Fugal, as an officer, violated 2 U.S.C §§ 434(c), 441b(a), 441d(a), and 441f.[10]

---

10. Counsel for Fugal & Fugal, Inc. and Peggy Fugal orally represented to staff of this Office that he was not sure of the tax status of the corporation but believed it was not a "subchapter S" corporation within the meaning of the Internal Revenue Code.

9704383113 1

D. Recommendations Concerning Proposed Conciliation Agreements and Civil Penalties

9704383113 2

9704383113 3

9704383113 4

9704381135

III. RECOMMENDATIONS WITH RESPECT TO OTHER RESPONDENTS

A. Jacqueline de Gaston and Republicans For Orton

1. Republicans For Orton

On December 13, 1994, the Commission revoted to find no reason to believe that Republicans for Orton and Jacqueline F. de Gaston, as treasurer, had violated 2 U.S.C. §§ 441a(a), 433, and 434, and to find reason to believe that Republicans for Orton and Jacqueline F. de Gaston, as treasurer, violated 2 U.S.C. § 434(c). As this Office reported on December 1, 1994, de Gaston filed a supplemental response to the complaint in this matter after the Commission had made the original reason to believe findings but before the respondents had been notified of these findings. In the supplemental response, de Gaston alleged that she regularly coordinated RFO activities with Orton personally. She also alleged that she was involved in the formation of UEG, and that Orton gave her the names of individuals, including Sheldon Kinsel, whom Orton allegedly believed might have been interested in conducting ostensibly independent campaign activity.

Several of the witnesses in this matter testified that de Gaston's reputation for credibility was not good. Some of this testimony may be discounted as coming from witnesses for whom it was self-serving. However, Schulzke, who has moved away from Utah, who testified he has had no recent communications with any other witnesses in this matter, and who has no apparent reason not to be truthful, testified that in his opinion de Gaston was a "passionate" and "excitable" person who, because of those traits, tended to exaggerate. Schulzke Dep. Tr. at 23-23. In light of this evidence, in light of the evidence that RFO's expenditures amounted to less than $1,000, and in light of the constraints of personnel, money, and, after the NRSC decision discussed supra at n.2, time, this Office determined to focus its limited resources on the more substantial evidence involving UEG. Under these circumstances, this Office recommends that the Commission take no further action with respect to Republicans for Orton and Jacqueline F. de Gaston, as treasurer, and close the file with respect to them.

B. Jacqueline de Gaston and Confidentiality

As noted in this Office's December 1, 1994 report on this matter, de Gaston's supplemental response to the complaint appeared largely to be a handout she distributed to the press at a news conference in Salt Lake City on October 29, 1992. MUR 3192, General Counsel's Report, December 1, 1994 at 11 n.9. In his January, 1993 response to the Commission's original reason to believe finding, Orton alleged that de Gaston's press conference and a subsequent newspaper advertisement violated the

9704383136

confidentiality provision of the Act, 2 U.S.C. § 437g(a)(12), by referring to this matter. Id. at Attachment 2, pages 5-6. Orton's response, which was not notarized, was treated as his response to the reason to believe finding and not as a separate complaint. See 11 C.F.R. § 111.4(b)(2). Nonetheless, in the interest of leaving no loose ends untied, we treat this allegation at this point in this report.

The document that appears to have been de Gaston's handout for the press conference refers to "an open investigation going on with the Federal Elections [sic] Commission" and states that "money in the form of potentially large fines is involved if [RFO and UEG] get connected together in the Federal Elections Commission investigation." The handout then urges those interestsed to "[c]all 1-800-424-9530 and ask for the status on case MUR 3192 regarding Utahns for Ethical Government, Student Review, Peggy Fugal, and Republicans for Orton." MUR 3192, General Counsel's Report, December 1, 1994, at Attachment 1, page 7. The newspaper advertisement, which was apparently paid for by the committee of Orton's principal opponent in the 1992 general election, appears to be derivative of the press conference. Id. at Attachment 2, page 7.

De Gaston does not appear to have violated the Act's confidentiality provision. 2 U.S.C. § 437g(a)(12)(A) provides that it is unlawful for any person to make public any notification or investigation made pursuant to 2 U.S.C. § 437g(a) without the written consent of the person receiving such notification or of the person with respect to whom such investigation is made.

9704383137

Neither the handout nor the advertisement mention any specific notification made by the Commission. Both documents refer to the Commission's "investigation." However, while the Commission had made reason to believe findings prior to the press conference, thus authorizing an investigation, de Gaston could not have known this at the time because the notification letters had not yet been mailed. Considering only what de Gaston actually knew at the time of the press conference, she was no more correct in referring to a Commission "investigation" than a complainant who might speak of an "investigation" based solely on his complaint and the contents thereof. The Commission has consistently found that similar actions by complainants did not violate the confidentiality provision. Advisory Opinion 1994-32; MURs 3168, 3169 and 3170, First General Counsel's Report, July 19, 1991, and cases cited therein. See also Advisory Opinion 1995-1 (respondent in enforcement matter may release their response to complaint without violating confidentiality provision where no notification or investigation has been made). Accordingly, this Office recommends that the Commission find no reason to believe that Jacqueline F. de Gaston, in her personal capacity, violated 2 U.S.C. § 437g(a)(12), and close the file with respect to her.

C. Other Respondents

1. The Student Review

The First General Counsel's Report in this matter noted that the Student Review's expenditures in connection with Schulzke's articles about Snow were apparently exempt from the definition of "expenditure" under the Act's "press exemption", 2 U.S.C.

9704383138

§ 431(9)(B)(i). MUR 3192, First General Counsel's Report, October 6, 1992, at 16-17. However, the Commission made no findings at that time with respect to the Student Review. The investigation of this matter confirms that Schulzke's first two articles in the Review had either appeared or gone to press prior to his initial contacts with Kinsel and Norton. Moreover, although the evidence indicates that Orton was a confidential source for the third article and that Schulzke had engaged in the initial contacts with Norton and Kinsel that led to UEG's formation prior to the third article's appearance on October 17, 1990, the third article had gone to press prior to the commencement of UEG's activities. In sum, there appears to be no evidence that the Student Review, as such, violated any provision of the Act. Accordingly, this Office recommends that the Commission find no reason to believe that the Student Review violated any provision of the Act, and close the file with respect to it.

2. Individuals -- No Action

A number of individuals who were notified of the complaint in this matter were not the subject of findings by the Commission at either the original reason to believe stage or at the time of the NRA revote. The investigation reveals that most of these individuals participated in some way in the activities of either UEG or RFO. However, while the individuals may have participated in activities or organizations that violated or may have violated the Act, this Office does not recommend proceeding against any of them in their individual capacities. Threfore, this Office

9704383139

recommends that the Commission take no action with respect to Percy Kalt, John Darger, Mickey Cochran, Herb Gleason, George Murdock, Rose Higa, or Eric Schulzke, and close the file with respect to these respondents.

3. Individuals -- No Reason to Believe

In addition to the individuals just named, two other individuals who were notified of the complaint in this matter, Matt Harmer and Vivien Harmer, were also not the subject of findings by the Commission at either the original reason to believe stage or at the time of the NRA revote. The investigation has revealed no evidence connecting either of these individuals to the facts of this matter in any way. Accordingly, this Office recommends that the Commission find no reason to believe that Matt Harmer or Vivien Harmer violated any provision of the Act, and close the file with respect to these respondents.

IV. RECOMMENDATIONS

1. Find probable cause to believe that William Orton and Orton for Congress and Jennifer Wilson, as treasurer, violated 2 U.S.C. § 441a(f).

2. Find probable cause to believe that Orton for Congress and Jennifer Wilson, as treasurer, violated 2 U.S.C. § 434(b).

3. Find probable cause to believe that Utahns for Ethical Government and Scott Lee Norton, as treasurer, violated 2 U.S.C. §§ 433(a), 434(b), 441a(a)(1)(A), 441b(a), 441d(a) and 441f.

4. Find probable cause to believe that Fugal & Fugal, Inc. and Peggy Fugal, as an officer, violated 2 U.S.C. §§ 434(c), 441b(a), 441d(a), and 441f.

5. Take no further action and close the file with respect to Republicans for Orton and Jacqueline F. de Gaston, as treasurer.

6. Find no reason to believe that Jacqueline F. de Gaston, in her personal capacity, violated 2 U.S.C. § 437g(a)(12), and close the file with repect to her.

9704383140

7. Find no reason to believe that the Student Review violated any provision of the Act, and close the file with respect to it.

8. Find no reason to believe that Matt Harmer or Vivien Harmer violated any provision of the Act, and close the file with respect to them.

9. Take no action with respect to Percy Kalt, John Darger, Mickey Cochran, Herb Gleason, George Murdock, Rose Higa, or Eric Schulzke, and close the file with respect to these respondents.

10. Approve the attached proposed conciliation agreements directed to Wiliam Orton, Orton for Congress and Jennifer Wilson, as treasurer; Utahns for Ethical Government and Scott Lee Norton, as treasurer; and Fugal & Fugal, Inc. and Peggy Fugal, as an officer.

11. Approve the appropriate letters.

9/13/95
Date

Lawrence M. Noble
General Counsel

Attachments:

1. Undated memorandum from Sheldon Kinsel to William Orton re: "Take Two" television program
2. Cellular telephone billing records, Kenneth Murdock, July 6, 1990 - November 6, 1990
3. Cellular telephone billing records, William Orton, July 11, 1990 - November 11, 1990
4. "SLANDER AND DEFAMATION REPEATED" facsimile transmission
5. Utahns for Ethical Government newspaper insert
6. Utahns for Ethical Government display advertisement, Provo Daily Herald, November 4, 1990
7. Utahns for Ethical Government display advertisement, Provo Daily Herald, November 5, 1990
8. Script, Utahns for Ethical Government radio advertisement
9. Proposed conciliation agreement, Utahns for Ethical Government and Scott Lee Norton, as treasurer
10. Proposed conciliation agreement, William Orton, Orton for Congress and Jennifer Wilson, as treasurer
11. Proposed conciliation agreement, Fugal & Fugal, Inc. & Peggy Fugal, as an officer

Staff Assigned: Lawrence L. Calvert Jr.
Martin Lewis
Eric Brown

9704383141

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
William Orton, et al.	)	MUR 3192

CORRECTED CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on September 20, 1995, the Commission decided by a vote of 5-0 to take the following actions in MUR 3192:

1. Find probable cause to believe that William Orton and Orton for Congress and Jennifer Wilson, as treasurer, violated 2 U.S.C. § 441a(f).

2. Find probable cause to believe that Orton for Congress and Jennifer Wilson, as treasurer, violated 2 U.S.C. § 434(b).

3. Find probable cause to believe that Utahns for Ethical Government and Scott Lee Norton, as treasurer, violated 2 U.S.C. §§ 433(a), 434(b), 441a(a)(1)(A), 441b(a), 441d(a) and 441f.

4. Find probable cause to believe that Fugal and Fugal, Inc. and Peggy Fugal, as an officer, violated 2 U.S.C. §§ 434(c), 441b(a), 441d(a), and 441f.

5. Take no further action and close the file with respect to Republicans for Orton and Jacqueline F. de Gaston, as treasurer.

(continued)

9704383142

6. Find no reason to believe that Jacqueline F. de Gaston, in her personal capacity, violated 2 U.S.C. § 437g(a)(12), and close the file with respect to her.

7. Find no reason to believe that the Student Review violated any provision of the Act, and close the file with respect to it.

8. Find no reason to believe that Matt Harmer or Vivien Harmer violated any provision of the Act, and close the file with respect to them.

9. Take no action with respect to Percy Kalt, John Darger, Mickey Cochran, Herb Gleason, George Murdock, Rose Higa, or Eric Schulzke, and close the file with respect to these respondents.

(continued)

9704383143

10. Approve the proposed conciliation agreements directed to William Orton, Orton for Congress and Jennifer Wilson, as treasurer; Utahns for Ethical Government and Scott Lee Norton, as treasurer; and Fugal & Fugal, Inc. and Peggy Fugal, as an officer, as recommended in the General Counsel's Report dated September 13, 1995.

11. Approve the appropriate letters, as recommended in the General Counsel's Report dated September 13, 1995.

Commissioners Aikens, Elliott, McDonald, McGarry, and Thomas voted affirmatively for the decision; Commissioner Potter did not cast a vote.

Attest:

9-20-95
Date

Marjorie W. Emmons
Secretary of the Commission

Received in the Secretariat: Thurs., Sept. 14, 1995 10:20 a.m.
Circulated to the Commission: Thurs., Sept. 14, 1995 4:00 p.m.
Deadline for vote: Tues., Sept. 19, 1995 4:00 p.m.

bjr

9704383144

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 21, 1995

BY FACSIMILE AND CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. J. Michael Bailey, Esq.
Parsons, Behle & Latimer
One Utah Center
201 South Main Street, Suite 100
P. O. Box 45898
Salt Lake City, Utah 84145-0898

RE: MUR 3192
Utahns for Ethical Government
and Scott Lee Norton, as treasurer

Dear Mr. Bailey:

On September 20, 1995, the Federal Election Commission found that there is probable cause to believe your clients, Utahns for Ethical Government and Scott Lee Norton, as treasurer, violated 2 U.S.C. §§ 433(a), 434(b), 441a(a)(1)(A), 441b(a), 441d(a), and 441f, provisions of the Federal Election Campaign Act of 1971, as amended, in connection with contributions and expenditures made during the 1990 general election for U.S. Representative from the Third District of Utah.

The Commission has a duty to attempt to correct such violations for a period of 30 to 90 days by informal methods of conference, conciliation, and persuasion, and by entering into a conciliation agreement with a respondent. If we are unable to reach an agreement during that period, the Commission may institute a civil suit in United States District Court and seek payment of a civil penalty.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission within ten days. I will then recommend that the Commission accept the agreement. Please make the check for the civil penalty payable to the Federal Election Commission.

2704383145

If you have any questions or suggestions for changes in the enclosed conciliation agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Lawrence L. Calvert Jr., the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

9704383146

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 21, 1995

BY FACSIMILE AND CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Messers. Robert F. Bauer, Esq. and John Devaney, Esq.
Ms. B. Holly Schadler, Esq.
Perkins Coie
607 Fourteenth Street, N.W.
Washington, D.C. 20005-2011

RE: MUR 3192
William Orton
Orton for Congress
and Jennifer Wilson, as treasurer

Dear Messers. Bauer and Devaney and Ms. Schadler:

On September 20, 1995, the Federal Election Commission found that there is probable cause to believe your clients, William Orton and Orton for Congress and Jennifer Wilson, as treasurer, violated 2 U.S.C. § 441a(f) in connection with receipt of excessive in-kind contributions from Utahns for Ethical Government. Additionally, the Commission found that there is probable cause to believe that Orton for Congress and Ms. Wilson, as treasurer, violated 2 U.S.C. § 434(b) in connection with the reporting of such contributions.

The Commission has a duty to attempt to correct such violations for a period of 30 to 90 days by informal methods of conference, conciliation, and persuasion, and by entering into a conciliation agreement with a respondent. If we are unable to reach an agreement during that period, the Commission may institute a civil suit in United States District Court and seek payment of a civil penalty.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission within ten days. I will then recommend that the Commission accept the agreement. Please make the check for the civil penalty payable to the Federal Election Commission.

Celebrating the Commission's 20th Anniversary

YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED

9704383147

If you have any questions or suggestions for changes in the enclosed conciliation agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Lawrence L. Calvert Jr., the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

9704383148

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

September 21, 1995

BY FACSIMILE AND CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Thomas J. Scribner, Esq.
Fisher, Scribner, Moody & Stirland
2696 North University Avenue, Suite 220
Provo, Utah 84604

RE: MUR 3192
Fugal & Fugal, Inc.
and Peggy Fugal, as an officer

Dear Mr. Scribner:

On September 20, 1995, the Federal Election Commission found that there is probable cause to believe your clients, Fugal & Fugal, Inc. and Peggy Fugal, as an officer, violated 2 U.S.C. §§ 434(c), 441b(a), 441d(a) and 441f, provisions of the Federal Election Campaign Act of 1971, as amended, in connection with contributions and expenditures made during the 1990 general election campaign for U.S. Represenative from the Third Congressional District of Utah.

The Commission has a duty to attempt to correct such violations for a period of 30 to 90 days by informal methods of conference, conciliation, and persuasion, and by entering into a conciliation agreement with a respondent. If we are unable to reach an agreement during that period, the Commission may institute a civil suit in United States District Court and seek payment of a civil penalty.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission within ten days. I will then recommend that the Commission accept the agreement. Please make the check for the civil penalty payable to the Federal Election Commission.

9704383149

If you have any questions or suggestions for changes in the enclosed conciliation agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Lawrence L. Calvert Jr., the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

9704383150

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 26, 1995

Mr. C. Eric Schulzke
1840 Little Creek Road
Auburn, California 95602

RE: MUR 3192
C. Eric Schulzke

Dear Mr. Schulzke:

On December 10, 1990, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act").

On September 20, 1995, the Commission determined to take no action with respect to you, and closed its file in this matter as it pertains to you.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all other respondents involved. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

9704383151

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 26, 1995

Ms. Rose Higa
236 North 2270 West
Provo, Utah 84601

RE: MUR 3192
Rose Higa

Dear Ms. Higa:

On December 10, 1990, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act").

On September 20, 1995, the Commission determined to take no action with respect to you, and closed its file in this matter as it pertains to you.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all other respondents involved. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

9704383152

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 26, 1995

Mr. George Murdock
519 West 1200 South
Provo, Utah 84605

RE: MUR 3192
George Murdock

Dear Mr. Murdock:

On December 10, 1990, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act").

On September 20, 1995, the Commission determined to take no action with respect to you, and closed its file in this matter as it pertains to you.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all other respondents involved. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

9704383153

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 26, 1995

Mr. Herb Gleason
7201 Ranch Road
Lakeland, Florida 33809

RE: MUR 3192
Herb Gleason

Dear Mr. Gleason:

On December 10, 1990, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act").

On September 20, 1995, the Commission determined to take no action with respect to you, and closed its file in this matter as it pertains to you.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all other respondents involved. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

9704383154

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 26, 1995

Mr. Mickey Cochran
743 East 640 North
Orem, Utah 84065

RE: MUR 3192
Mickey Cochran

Dear Mr. Cochran:

On December 10, 1990, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act").

On September 20, 1995, the Commission determined to take no action with respect to you, and closed its file in this matter as it pertains to you.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all other respondents involved. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

9704383155

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 26, 1995

Mr. John Darger
4932 West 13400 South
Riverton, Utah 84065

RE: MUR 3192
John Darger

Dear Mr. Darger:

On December 10, 1990, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act").

On September 20, 1995, the Commission determined to take no action with respect to you, and closed its file in this matter as it pertains to you.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all other respondents involved. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

9704383115 6

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 26, 1995

Mr. Percy Kalt
4089 Devonshire Drive
Provo, Utah 84604

RE: MUR 3192
Percy Kalt

Dear Mr. Kalt:

On December 10, 1990, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act").

On September 20, 1995, the Commission determined to take no action with respect to you, and closed its file in this matter as it pertains to you.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all other respondents involved. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

9704383157

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 26, 1995

Ms. Jacqueline F. de Gaston, Treasurer
Republicans for Orton
505 East 4750 North
Provo, Utah 84604

RE: MUR 3192
Republicans for Orton
and Jacqueline F. de Gaston,
as treasurer and individually

Dear Ms. de Gaston:

On December 16, 1994, you were notified that the Federal Election Commission found no reason to believe that Republicans for Orton or you, as treasurer, violated 2 U.S.C. §§ 441a(a), 433, or 434, but found reason to believe that Republicans for Orton and you, as treasurer, violated 2 U.S.C. § 434(c).

After considering the circumstances of the matter, the Commission determined on September 20, 1995, to take no further action against Republicans for Orton or you, as treasurer, and closed the file as it pertains to Republicans for Orton and you, as treasurer.

In the course of considering this matter, the Commission also considered the issue of whether you, in your personal capacity, violated 2 U.S.C. § 437g(a)(12). On September 20, 1995, the Commission found no reason to believe that you, in your personal capacity, violated 2 U.S.C. § 437g(a)(12). Accordingly, the Commission has closed its file in this matter as it pertains to you in your personal capacity.

You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter. The Commission will notify you when the entire file has been closed.

9704383158

If you have any questions, please contact me at (202) 219-3690.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

9704383115 9

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 26, 1995

The Student Review
P. O. Box 7092
Provo, Utah 84602

RE: MUR 3192
The Student Review

Ladies and Gentlemen:

On December 10, 1990, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act").

On September 20, 1995, the Commission found, on the basis of the information in the complaint, and information provided by other sources, that there is no reason to believe The Student Review violated any provision of the Act. Accordingly, the Commission closed its file in this matter as it pertains to The Student Review.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all other respondents involved. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

9704383160

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 26, 1995

Mr. Matthew J. Harmer, Esq.
Parsons, Behle & Latimer
One Utah Center
201 South Main Street, Suite 1800
P. O. Box 45898
Salt Lake City, Utah 84145-0898

RE: MUR 3192
Matthew J. Harmer

Dear Mr. Harmer:

On December 10, 1990, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act").

On September 20, 1995, the Commission found, on the basis of the information in the complaint, and information provided by you and by other sources, that there is no reason to believe you violated any provision of the Act. Accordingly, the Commission closed its file in this matter as it pertains to you.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all other respondents involved. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

9704383116

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 26, 1995

Ms. Vivien Harmer
c/o Mr. Matthew J. Harmer, Esq.
Parsons, Behle & Latimer
One Utah Center
201 South Main Street, Suite 1800
P. O. Box 45898
Salt Lake City, Utah 84145-0898

RE: MUR 3192
Vivien Harmer

Dear Ms. Harmer:

On December 10, 1990, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act").

On September 20, 1995, the Commission found, on the basis of the information in the complaint, and information provided by other sources, that there is no reason to believe you violated any provision of the Act. Accordingly, the Commission closed its file in this matter as it pertains to you.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all other respondents involved. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

9704383116 2

FAXED

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 2, 1995

BY FACSIMILE

Mr. J. Michael Bailey, Esq.
Parsons, Behle & Latimer
One Utah Center
201 South Main Street, Suite 100
P. O. Box 45898
Salt Lake City, Utah 84145-0898

RE: MUR 3192
Utahns for Ethical Government
and Scott Lee Norton, as treasurer

Dear Mr. Bailey:

On September 21, 1995, this Office transmitted to you by facsimile a notification that the Commission had found probable cause to believe your clients, Utahns for Ethical Government and Scott Lee Norton, as treasurer, violated 2 U.S.C. §§ 433(a), 434(b), 441a(a)(1)(A), 441b(a), 441d(a), and 441f. At the same time, this Office transmitted to you a proposed conciliation agreement approved by the Commission. The General Counsel's letter requested that if you agreed with the provisions of the enclosed agreement, you sign it and return it, along with a check for the civil penalty, within ten days. An original copy of the General Counsel's letter and the proposed agreement were then sent to you via certified mail.

Ten days have now elapsed and we have not heard from you. While we desire to settle this matter short of litigation, and while the Commission does not concede that 28 U.S.C. § 2462 or any other statute of limitations applies to enforcement actions pursuant to 2 U.S.C. § 437g, we anticipate that if this matter is litigated you may raise a statute of limitations defense. Accordingly, I wanted you to be aware that the Office of General Counsel does not anticipate pursuing conciliation in this matter longer than the 30 days required by statute. That period expires October 21, 1995.

9704383163

Let me assure you that we stand ready to make every effort to settle this matter in the time remaining. We very much look forward to hearing from you.

If you have any questions, or if you would like to discuss the proposed conciliation agreement, please call me at (202) 219-3690.

Sincerely,

Lawrence V. Calvert Jr.
Attorney

9704383164

FAXED

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 2, 1995

BY FACSIMILE

Mr. Thomas J. Scribner, Esq.
Fisher, Scribner, Moody & Stirland
2696 North University Avenue, Suite 220
Provo, Utah 84604

RE: MUR 3192
Fugal & Fugal, Inc.
and Peggy Fugal, as an officer

Dear Mr. Scribner:

On September 21, 1995, this Office transmitted to you by facsimile a notification that the Commission had found probable cause to believe your clients, Fugal & Fugal, Inc. and Peggy Fugal, as an officer, violated 2 U.S.C. §§ 434(c), 441b(a), 441d(a), and 441f. At the same time, this Office transmitted to you a proposed conciliation agreement approved by the Commission. The General Counsel's letter requested that if you agreed with the provisions of the enclosed agreement, you sign it and return it, along with a check for the civil penalty, within ten days. An original copy of the General Counsel's letter and the proposed agreement were then sent to you via certified mail.

Ten days have now elapsed and we have not heard from you. While we desire to settle this matter short of litigation, and while the Commission does not concede that 28 U.S.C. § 2462 or any other statute of limitations applies to enforcement actions pursuant to 2 U.S.C. § 437g, we anticipate that if this matter is litigated you may raise a statute of limitations defense. Accordingly, I wanted you to be aware that the Office of General Counsel does not anticipate pursuing conciliation in this matter longer than the 30 days required by statute. That period expires October 21, 1995.

9704383165

Let me assure you that we stand ready to make every effort to settle this matter in the time remaining. We very much look forward to hearing from you.

If you have any questions, or if you would like to discuss the proposed conciliation agreement, please call me at (202) 219-3690.

Sincerely,

Lawrence L. Calvert Jr.

Lawrence L. Calvert Jr.
Attorney

9704383116 6

FAXED

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 2, 1995

BY FACSIMILE

Messers. Robert F. Bauer, Esq. and John Devaney, Esq.
Ms. B. Holly Schadler, Esq.
Perkins Coie
607 Fourteenth Street, N.W.
Washington, D.C. 20005-2011

RE: MUR 3192
William Orton
Orton for Congress
and Jennifer Wilson, as treasurer

Dear Messers. Bauer and Devaney and Ms. Schadler:

On September 21, 1995, this Office transmitted to you by facsimile a notification that the Commission had found probable cause to believe your clients, William Orton and Orton for Congress and Jennifer Wilson, as treasurer, had violated 2 U.S.C. § 441a(f), and that the Commission had found probable cause to believe Orton for Congress and Ms. Wilson, as treasurer, had violated 2 U.S.C. § 434(b). At the same time, this Office transmitted to you a proposed conciliation agreement approved by the Commission. The General Counsel's letter requested that if you agreed with the provisions of the enclosed agreement, you sign it and return it, along with a check for the civil penalty, within ten days. An original copy of the General Counsel's letter and the proposed agreement were then sent to you via certified mail.

Ten days have now elapsed and we have not heard from you. While we desire to settle this matter short of litigation, and while the Commission does not concede that 28 U.S.C. § 2462 or any other statute of limitations applies to enforcement actions pursuant to 2 U.S.C. § 437g, we anticipate that if this matter is litigated you may raise a statute of limitations defense. Accordingly, I wanted you to be aware that the Office of General Counsel does not anticipate pursuing conciliation in this matter longer than the 30 days required by statute. That period expires October 21, 1995.

9704383167

Let me assure you that we stand ready to make every effort to settle this matter in the time remaining. We very much look forward to hearing from you.

If you have any questions, or if you would like to discuss the proposed conciliation agreement, please call me at (202) 219-3690.

Sincerely,

Lawrence L. Calvert Jr.

Lawrence L. Calvert Jr.
Attorney

9704383168

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

Oct 13 1 16 PM '95

BEFORE THE FEDERAL ELECTION COMMISSION

In the matter of

William Orton

Orton for Congress
and Jennifer Wilson,
as treasurer

Utahns for Ethical Government
and Scott Lee Norton,
as treasurer

Fugal & Fugal, Inc.
and Peggy Fugal,
as an officer

MUR 3192

9704383 1169

GENERAL COUNSEL'S REPORT

I. **BACKGROUND**

On September 20, 1995, the Commission found probable cause to believe that William Orton and Orton for Congress ("OFC") and Jennifer Wilson, as treasurer, violated 2 U.S.C. § 441a(f); that OFC and Wilson, as treasurer, violated 2 U.S.C. § 434(b); that Utahns for Ethical Government ("UEG") and Scott Lee Norton, as treasurer, violated 2 U.S.C. §§ 433(a), 434(b), 441a(a)(1)(A), 441b(a), 441d(a) and 441f; and that Fugal & Fugal, Inc. and Peggy Fugal, as an officer, violated 2 U.S.C. §§ 434(c), 441b(a), 441d(a), and 441f. The Commission also approved proposed conciliation agreements directed to these respondents. Counsel for all of these respondents were notified of the Commission's findings and the proposed conciliation agreements by facsimile and certified mail the next day, September 21, 1995.

This report will provide an update on the status of post-probable cause conciliation with all respondents.

9704383170

III. RECOMMENDATIONS CONCERNING SUIT AUTHORITY

As noted in this Office's September 13 report, the five-year anniversary of the initial violation in this matter will occur October 26, 1995. As we said in that report, "[t]his Office continues to recommend that the Commission not concede the applicablilty of 28 U.S.C. § 2462 or any other statute of limitations to Commission enforcement actions. Nevertheless, we would hope to file any necessary litigation in this matter on or before October 26." MUR 3192, General Counsel's Report, September 13, 1995, at 2 n.3. The Commission is not scheduled to meet in Executive Session on October 24, and, as of this writing, conciliation has not been fruitful. Accordingly, we recommend that the Commission authorize this Office to file suit to enforce

the Act in this matter against any respondent with whom a mutually agreeable conciliation agreement has not been concluded by the close of business Monday, October 23, 1995.

IV. RECOMMENDATIONS

1. Authorize the Office of General Counsel to file civil suit to enforce the Act against William Orton, Orton for Congress and Jennifer Wilson, as treasurer, unless a mutually agreeable conciliation agreement has been concluded with these respondents by the close of business Monday, October 23, 1995.

2. Authorize the Office of General Counsel to file civil suit to enforce the Act against Utahns for Ethical Government and Scott Lee Norton, as treasurer, unless a mutually agreeable conciliation agreement has been concluded with these respondents by the close of business Monday, October 23, 1995.

3. Authorize the Office of General Counsel to file civil suit to enforce the Act against Fugal & Fugal, Inc. and Peggy Fugal, as an officer, unless a mutually agreeable conciliation agreement has been concluded with these respondents by the close of business Monday, October 23, 1995.

4. Approve the appropriate letters.

10/13/95
Date

Lawrence M. Noble
General Counsel

Attachments:

1. Letters from OGC staff to respondents' counsel, October 2, 1995

Staff assigned: Lawrence L. Calvert Jr.

9704383171

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 3192
William Orton;	)	
Orton for Congress and Jennifer Wilson, as treasurer;	)	
Utahns for Ethical Government and Scott Lee Norton, as treasurer;	)	
Fugal & Fugal, Inc. and Peggy Fugal, as an officer	)	

97043831172

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on October 17, 1995, do hereby certify that the Commission decided by a vote of 5-0 to take the following actions in MUR 3192:

1. Authorize the Office of General Counsel to file civil suit to enforce the Act against William Orton, Orton for Congress and Jennifer Wilson, as treasurer, unless a mutually agreeable conciliation agreement has been concluded with these respondents by the close of business on Monday, October 23, 1995.

2. Authorize the Office of General Counsel to file civil suit to enforce the Act against Utahns for Ethical Government and Scott Lee Norton, as treasurer, unless a mutually agreeable conciliation agreement has been concluded with these respondents by the close of business Monday, October 23, 1995.

(continued)

3. Authorize the Office of General Counsel to file civil suit to enforce the Act against Fugal & Fugal, Inc. and Peggy Fugal, as an officer, unless a mutually agreeable conciliation agreement has been concluded with these respondents by the close of business Monday, October 23, 1995.

4. Reject the counteroffer submitted on behalf of Utahns for Ethical Government and Scott Lee Norton, as treasurer, by letter dated October 13, 1995.

5. Approve appropriate letters.

Commissioners Aikens, Elliott, McDonald, McGarry, and Thomas voted affirmatively for the decision. Commissioner Potter was not present.

Attest:

10-20-95
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

9704383117 3

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 19, 1995

BY FACSIMILE AND FIRST CLASS MAIL

Mr. J. Michael Bailey, Esq.
Parsons Behle & Latimer
One Utah Center
201 South Main Street, Suite 1800
P. O. Box 45898
Salt Lake City, Utah, 84145-0898

RE: MUR 3192
Utahns for Ethical Government
and Scott Lee Norton,
as treasurer

Dear Mr. Bailey:

You were previously notified that on September 20, 1995, the Federal Election Commission found probable cause to believe that your clients, Utahns for Ethical Government and Scott Lee Norton, as treasurer, violated 2 U.S.C. §§ 433(a), 434(b), 441a(a)(1)(A), 441b(a), 441d(a) and 441f, provisions of the Federal Election Campaign Act of 1971, as amended, in connection with the captioned matter.

This is to confirm that, as Lawrence Calvert of this Office informed you by telephone on October 18, 1995, that on October 17 the Commission considered and rejected the counteroffer you submitted dated October 13, 1995. As Mr. Calvert further informed you, the Commission also authorized the General Counsel to file a civil suit to enforce the Act against your clients in U.S. District Court should a mutually acceptable conciliation agreement not be reached by the close of business Monday, October 23, 1995.

Should you have any questions, or should you wish to engage in further discussions concerning settlement of this matter, please contact Mr. Calvert at (202) 219-3690. Should the matter not be settled by the close of business October 23, please direct your inquiries after that time to Stephen Hershkowitz, Assistant General Counsel for District Court Litigation, at (202) 219-3400.

Sincerely,

Lawrence M. Noble
General Counsel

Celebrating the Commission's 20th Anniversary

YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED

9704383174

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 19, 1995

BY FACSIMILE AND FIRST CLASS MAIL

Messers. Robert F. Bauer, Esq. and John Devaney, Esq.
Ms. B. Holly Schadler, Esq.
Perkins Coie
607 Fourteenth Street, N.W.
Washington, D.C. 20005-2011

RE: MUR 3192
William Orton
Orton for Congress
and Jennifer Wilson, as treasurer

Dear Messers. Bauer and Devaney and Ms. Schadler:

You were previously notified that on September 20, 1995, the Federal Election Commission found probable cause to believe that your clients, William Orton and Orton for Congress and Jennifer Wilson, as treasurer, violated 2 U.S.C. § 441a(f) and that Orton for Congress and Ms. Wilson violated 2 U.S.C. § 434(b), provisions of the Federal Election Campaign Act of 1971, as amended, in connection with the captioned matter.

This is to confirm, as you were informed by telephone by Lawrence Calvert of this Office on October 17, 1995, that the Commission has authorized the General Counsel to file a civil suit to enforce the Act against your clients in U.S. District Court should a mutually acceptable conciliation agreement not be reached by the close of business Monday, October 23, 1995.

Should you have any questions, or should you wish to engage in further discussions concerning settlement of this matter, please contact Mr. Calvert at (202) 219-3690. Should the matter not be settled by the close of business October 23, please direct your inquiries after that time to Stephen Hershkowitz, Assistant General Counsel for District Court Litigation, at (202) 219-3400.

Sincerely,

Lawrence M. Noble
General Counsel

9704383117 5

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 19, 1995

BY FACSIMILE AND FIRST CLASS MAIL

Mr. Thomas J. Scribner, Esq.
Fisher, Scribner, Moody & Stirland
2696 North University Avenue, Suite 220
Provo, Utah 84604

RE: MUR 3192
Fugal & Fugal, Inc.
and Peggy Fugal, as an officer

Dear Mr. Scribner:

You were previously notified that on September 20, 1995, the Federal Election Commission found probable cause to believe that your clients, Fugal & Fugal, Inc. and Peggy Fugal, as an officer, violated 2 U.S.C. §§ 434(c), 441b(a), 441d(a), and 441f, provisions of the Federal Election Campaign Act of 1971, as amended, in connection with the captioned matter.

This confirms, as Lawrence Calvert of this Office informed you by telephone on October 17, 1995, that the Commission has authorized the General Counsel to file a civil suit to enforce the Act against your clients in U.S. District Court should a mutually acceptable conciliation agreement not be reached by the close of business Monday, October 23, 1995.

Should you have any questions, or should you wish to engage in further discussions concerning settlement of this matter, please contact Mr. Calvert at (202) 219-3690. Should the matter not be settled by the close of business October 23, please direct your inquiries after that time to Stephen Hershkowitz, Assistant General Counsel for District Court litigation, at (202) 219-3400.

Sincerely,

Lawrence M. Noble
General Counsel

Celebrating the Commission's 20th Anniversary
YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED

9704383176

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

BEFORE THE FEDERAL ELECTION COMMISSION

OCT 26 4 06 PM '95

In the matter of

Fugal & Fugal, Inc.
and Peggy Fugal,
as an officer

MUR 3192

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On September 20, 1995, the Commission found probable cause to believe that Fugal & Fugal, Inc. and Peggy Fugal, as an officer, violated 2 U.S.C. §§ 434(c), 441b(a), 441d(a), and 441f. On October 17, 1995, the Commission authorized this Office to file suit against respondents if a mutually acceptable conciliation agreement was not reached by the close of business Monday, October 23, 1995.[1]

Attached is a facsimile copy of a proposed conciliation agreement with Fugal & Fugal, Inc. and Peggy Fugal, as an officer, signed by Thomas J. Scribner, counsel for the corporation and Fugal.

9704383117 7

1. For the Commission's information, conciliation with the remaining respondents in this matter -- William Orton, Orton for Congress and Jennifer Wilson, as treasurer, and Utahns for Ethical Government and Scott Lee Norton, as treasurer -- was unsuccessful. Pursuant to the Commission's suit authorization of October 17, 1995, the file in this matter has been transferred to the Litigation Section of this Office with respect to these respondents.

II. **RECOMMENDATIONS**

1. Accept the attached proposed conciliation agreement with Fugal & Fugal, Inc. and Peggy Fugal, as an officer.

2. Close the file with respect to these respondents.

3. Approve the appropriate letters.

2-2-95
Date

/s/ Lawrence M. Noble (JJ)
Lawrence M. Noble
General Counsel

Attachments:
1. Proposed conciliation agreement
2. Letter from counsel

Staff Assigned: Lawrence L. Calvert Jr.

97043831178

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Fugal & Fugal, Inc.	)	MUR 3192
and Peggy Fugal,	)	
as an officer.	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on November 1, 1995, the Commission decided by a vote of 5-0 to take the following actions in MUR 3192:

1. Accept the proposed conciliation agreement with Fugal & Fugal, Inc. and Peggy Fugal, as an officer, as recommended in the General Counsel's Report dated October 26, 1995.

2. Close the file with respect to these respondents.

3. Approve the appropriate letters, as recommended in the General Counsel's Report dated October 26, 1995.

Commissioners Aikens, Elliott, McDonald, McGarry, and Thomas voted affirmatively for the decision.

Attest:

11-1-95
Date

Marjorie W. Emmons
Secretary of the Commission

Received in the Secretariat: Thurs., Oct. 26, 1995 4:06 p.m.
Circulated to the Commission: Fri., Oct. 27, 1995 12:00 p.m.
Deadline for vote: Wed., Nov. 01, 1995 4:00 p.m.

lrd

9704383179

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1995

Mr. Thomas J. Scribner, Esq.
Fisher, Scribner, Moody & Stirland
2696 N. University Avenue, Suite 220
Provo, Utah 84604

RE: MUR 3192
Fugal & Fugal, Inc.
and Peggy Fugal, as an officer

Dear Mr. Scribner:

On November 1, 1995, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your clients' behalf in settlement of violations of 2 U.S.C. §§ 434(c), 441b(a), 441d(a), and 441f, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Accordingly, the file has been closed in this matter as it pertains to Fugal & Fugal, Inc. and Peggy Fugal, as an officer.

This matter will become public within 30 days after it has been closed with respect to all other respondents involved. Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become part of the public record. The Commission will notify you when the entire file has been closed.

Enclosed you will find a copy of the fully executed conciliation agreement for your files.

If you have any questions, please call me at (202) 219-3690.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

Enclosure
Conciliation Agreement

9704383180

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
OCT 26 11 25 AM '95

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of		
Fugal & Fugal, Inc. and Peggy Fugal, as an officer	)	MUR 3192

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaint by Sheldon Bradshaw. An investigation was conducted, and the Federal Election Commission ("Commission") found probable cause to believe that Fugal & Fugal, Inc. and Peggy Fugal, as an officer, violated 2 U.S.C. §§ 434(c), 441b(a), 441d(a) and 441f.

NOW, THEREFORE, the Commission and the Respondents, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding.

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. Fugal & Fugal, Inc. is a corporation organized under the laws of the state of Utah. In 1990, Fugal & Fugal, Inc. principally did business under the name "Peggy Fugal Advertising." The principal place of business of Peggy Fugal Advertising was Provo, Utah.

9704383118

2. Peggy Fugal is an officer of Fugal & Fugal, Inc. She is also a co-owner of the corporation, along with her husband, Sherman Fugal.

3. Any person who makes an independent expenditure of $1,000 or more expressly advocating the election or defeat of a clearly identified candidate in a Federal election after the twentieth day, but more than 24 hours, before 12:01 a.m. of the day of such election, must report such expenditure to the Commission within 24 hours after the expenditure is made. 2 U.S.C. § 434(c).

4. No corporation may make a contribution or expenditure from its general treasury funds in connection with any Federal election, nor may any officer or director of any corporation consent to any contribution or expenditure by the corporation. 2 U.S.C. § 441b(a).

5. Whenever a person makes an expenditure, independent or otherwise, for a communication through general public political advertising that expressly advocates the election or defeat of a clearly identified candidate for Federal office, the communication must state who paid for the communication and, if not paid for by a candidate or authorized candidate committee, must state whether the communication was or was not authorized by any candidate or candidate's committee. 2 U.S.C. § 441d(a).

9704383182

6. Peggy Fugal caused to be placed in the Provo Daily Herald newspaper a full-page display advertisement in opposition to the candidacy of Karl Snow for United States Representative from the Third Congressional District of Utah in the November 6, 1990 general election. The advertisement appeared on or about November 1, 1990.

7. Peggy Fugal filed with the Commission a report of Independent Expenditures Made and Contributions Received on November 19, 1990, roughly 18 days after the advertisement appeared. The report indicated that the cost of the advertisement was $1,203.58.

8. The disclaimer on the advertisement stated that the advertisement was "paid for by Peggy Fugal Advertising, a division of Fugal & Fugal, Inc., a Utah corporation since 1977." The disclaimer did not state whether the advertisement was authorized by any candidate or candidate's committee.

9. Peggy Fugal paid for the advertisement with a check drawn on Fugal & Fugal, Inc.

10. It is unlawful for any person to make a contribution in the name of another person for the purpose of influencing any election for Federal office. 2 U.S.C. § 441f.

11. Utahns for Ethical Government is a political committee within the meaning of 2 U.S.C. § 431(4).

12. Utahns for Ethical Government made expenditures in opposition to Karl Snow's candidacy for United States Representative from the Third Congressional District of Utah in the November 6, 1990 general election.

9704383183

13. Fugal & Fugal, Inc., doing business as Peggy Fugal Advertising, provided advertising and public relations services to Utahns for Ethical Government.

14. A disclosure report filed with the Commission by Utahns for Ethical Government listed receipt of a $1,000 in-kind contribution from Sherman Fugal and an $800 in-kind contribution from Jayson Fugal. These contributions were in fact a single in-kind contribution of $1,800 from Fugal & Fugal, Inc., doing business as Peggy Fugal Advertising.

V. 1. Respondents failed to timely file a Report of Independent Expenditures Made and Contributions Received, in violation of 2 U.S.C. § 434(c).

2. Peggy Fugal caused Fugal & Fugal, Inc. to make an independent expenditure of $1,203.58 in violation of 2 U.S.C. § 441b(a).

3. Respondents' advertisement in the Provo Daily Herald did not state clearly whether it was authorized by any candidate or candidate's committee, in violation of 2 U.S.C. § 441d(a).

4. Fugal & Fugal, Inc. made an in-kind contribution of $1,800 to Utahns for Ethical Government in the names of Sherman Fugal and Jayson Fugal, in violation of 2 U.S.C. §§ 441b(a) and 441f.

VI. Respondents will pay a civil penalty to the Federal Election Commission in the amount of two thousand five hundred dollars ($2,500), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein

9704383184

or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

IX. Respondents shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Lawrence M. Noble
General Counsel

11/6/95
Date

FOR THE RESPONDENTS:

(Name)
(Position)
attorney for Respondents

10-23-95
Date

97043831185

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 1, 1997

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Sheldon Bradshaw
735 North 400 East, #22
Provo, Utah 84604

RE: MUR 3192

Dear Mr. Bradshaw:

This is in reference to the complaint you filed with the Federal Election Commission ("Commission") dated November 9, 1990, concerning alleged in-kind contributions by various persons to William Orton and Orton for Congress and its treasurer.

After conducting an investigation the Commission found probable cause to believe that William Orton and Orton for Congress ("OFC") and Jennifer Wilson, as treasurer, violated 2 U.S.C. § 441a(f); that OFC and Wilson, as treasurer, violated 2 U.S.C. § 434(b); that Utahns for Ethical Government ("UEG") and Scott Lee Norton, as treasurer, violated 2 U.S.C. §§ 433(a), 434(b), 441a(a)(1)(A), 441b(a), 441d(a) and 441f; and that Fugal & Fugal, Inc. and Peggy Fugal, as an officer, violated 2 U.S.C. §§ 434(c), 441b(a), 441d(a), and 441f. All statutes cited are provisions of the Federal Election Campaign Act of 1971, as amended ("the Act").

Further, having previously found reason to believe that Republicans for Orton and Jacqueline F. de Gaston, as treasurer, violated 2 U.S.C. § 434(c), the Commission determined, on September 20, 1995, to take no further action with respect to them. The Commission also found no reason to believe that de Gaston, in her personal capacity, violated 2 U.S.C. § 437g(a)(12); found no reason to believe that *The Student Review* or Matt or Vivien Harmer violated any provision of the Act; and determined to take no action with respect to Percy Kalt, John Darger, Mickey Cochran, Herb Gleason, George Murdock, Rose Higa or Eric Schulzke.

The Commission was able to settle the matter with Fugal & Fugal, Inc. and Peggy Fugal, as an officer, through a conciliation agreement, a copy of which is enclosed. However, the Commission was unable to conclude conciliation agreements with Orton, OFC and Wilson, as treasurer, or UEG and Norton, as treasurer , and, therefore, authorized the filing of a civil suit in United States District Court.

9704383186

On April 27 and 28, 1997, in *Federal Election Commission v. Orton*, No. 2:95-CV-977W, the U.S. District Court for the District of Utah, Central Division, approved a Stipulation and a Final Consent Order and Judgment that settled the matter as to all parties. As part of the Final Consent Order and Judgment, UEG and Norton, as treasurer, were required to pay a $9,000 civil penalty to the Commission for violations of the Act and to amend their termination report so that all of their expenditures would be reported as in-kind contributions to OFC. UEG was also required either to refund $1,800 in prohibited in-kind contributions it had received from Fugal & Fugal, Inc., or to remit the same amount to the U.S. Treasury. The parties agreed that upon UEG's satisfaction of the judgment, the case against all defendants, including Orton and OFC and Wilson, as treasurer, would be dismissed. Copies of the Stipulation and the Final Consent Order and Judgment are enclosed.

The Commission's consideration of this matter was concluded on June 13, 1997, and the file is now closed.

If you have any questions, please contact me at (202) 219-3690.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

Enclosures
Conciliation Agreement
Final Consent Order and Judgment
Stipulation

9704383187

FILED

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH, CENTRAL DIVISION

FEDERAL ELECTION COMMISSION Plaintiff, v. WILLIAM H. ORTON, et al. (UTAHNS FOR AN ETHICAL GOVERNMENT AND SCOTT LEE NORTON AS TREASURER) Defendants.	)	No. 2:95-CV-977W STIPULATION AND ORDER (1 OF 2)

MAY 2 9 59 AM '97
FEDERAL ELECTION COMMISSION

9704383188

FINAL CONSENT ORDER AND JUDGMENT

This action for declaratory, injunctive and other relief was instituted by the plaintiff Federal Election Commission (the "Commission" or "FEC") against the defendants Utahns for Ethical Government and Scott Lee Norton, as treasurer, (collectively, the "UEG defendants"); and William H Orton, Orton for Congress and Jennifer Wilson, as treasurer (collectively, the "Orton defendants") pursuant to the express authority granted the Commission by 2 U.S.C. § 437d(a)(6) and 437g(a)(6)(A) of the Federal Election Campaign Act of 1971, as amended (the "Act" or "FECA").

This Court has original jurisdiction over this suit pursuant to 28 U.S.C. § 1345 as an action brought by an agency of the United States expressly authorized to sue by an Act of Congress. Venue is properly found in the Central Division of the District of Utah in accordance with 2 U.S.C. § 437g(a)(6)(A) as defendants can be found, reside, or transact

business in this district. The plaintiff Commission has satisfied all jurisdictional requirements which are prerequisites to filing this suit.

All parties to this litigation having signed their respective agreements (two separate agreements among all parties), the plaintiff Commission and the UEG defendants now agree to entry of this Court's judgment and consent to the issuance of this order, as evidenced by the signatures of UEG defendants and counsel for the Commission.

The plaintiff Commission and the UEG defendants agree that the pertinent facts in this matter are:

1. Utahns for Ethical Government is a political committee within the meaning of 2 U.S.C. § 431(4). It is not qualified as a multicandidate political committee within the meaning of 2 U.S.C. § 441a(a)(4). Scott Lee Norton is the treasurer of UEG.

COORDINATION OF EXPENDITURES AND EXCESSIVE CONTRIBUTIONS

2. No person, other than a multicandidate political committee, may make contributions to any candidate and his authorized political committee with respect to any election for Federal office which, in the aggregate, exceed $1,000. 2 U.S.C. § 441a(a)(1)(A). Any expenditure made by any person in cooperation, consultation, or concert, with, or at the request or suggestion of, a candidate, his authorized political committees, or their agents, is a contribution under the Act. 2 U.S.C. § 441a(a)(7)(B)(i). "[M]ade with the cooperation or with the prior consent of, or in consultation with, or at the request or suggestion of, a candidate" means any arrangement, coordination, or direction by the candidate or his or her agent prior to the

9704383189

publication, distribution, display or broadcast of the communication at issue. 11 C.F.R. § 109.1(b)(4)(i).

3. In prior enforcement matters, the Commission has construed the statutory and regulatory provisions referenced in the preceding paragraph to cover any expenditure based in whole or in part on the spender's knowledge of official campaign strategy, even if the spender makes the expenditures because he or she disagrees with that strategy, so long as the immediate source of the spender's knowledge is the candidate or the candidate's campaign.

4. An individual who participated in some of the activities of Utahns for Ethical Government previously had volunteered for Orton's campaign for election to Congress, and had resigned from the Orton campaign prior to joining UEG. The Commission found probable cause to believe that the existence of Utahns for Ethical Government, and some of its campaign activities, were based in part on knowledge of, and disagreement with, information about the official strategy of Orton's campaign derived from Orton or Orton for Congress.

5. The defendants disagree with the Commission's probable cause determination. The Commission has no direct evidence that either William H. Orton, Orton for Congress, or any agent of Orton or his authorized committee requested, cooperated with, or coordinated any expenditure by any of the other parties regarding the violations of law which are the subject of this litigation. Orton directed his campaign staff not to make his opponent's previous financial activities a campaign issue, and stated publicly that he would not raise the issue of his opponent's previous financial activities as part of his campaign.

9704383190

6. UEG Defendants made $11,452.68 in expenditures in opposition to the candidacy of Karl Snow, opponent of William Orton, for United States Representative from the Third Congressional District of Utah in the 1990 general election.

CORPORATE CONTRIBUTIONS AND CONTRIBUTIONS IN THE NAME OF ANOTHER

7. Political committees such as Utahns for Ethical Government must report to the Commission the name and address of each political committee which has received a contribution from the reporting committee during the reporting period, together with the date and amount of any such contribution. 2 U.S.C. § 434(b)(6)(B)(i). It is unlawful for any person to knowingly accept or receive any contribution made by any corporation in connection with any Federal election. 2 U.S.C. § 441b(a).

It is unlawful for any person to knowingly accept a contribution made for the purpose of influencing a Federal election by one person in the name of another. 2 U.S.C. § 441f. Political committees such as Utahns for Ethical Government must report to the Commission the identification of each person who makes a contribution to the reporting committee during the reporting period, whose contributions have an aggregate amount of value in excess of $200 within the calendar year. 2 U.S.C. § 434(b)(3)(A).

8. On a disclosure report filed with the Commission, Utahns for Ethical Government reported receipt of an in-kind contribution of $1,000 from Sherman Fugal and of $800 from Jayson Fugal. These were, in fact, in-kind contributions from Fugal & Fugal, Inc. d/b/a Peggy

9704383119 1

Fugal Advertising, a Utah corporation. UEG Defendants contend that any violations of law associated with the acceptance and reporting of these contributions were not willful.

DISCLAIMERS

9. The Act requires that whenever a person makes an expenditure for a communication through general public political advertising that expressly advocates the election or defeat of a clearly identified candidate for Federal office, the communication must state who paid for the communication and, if not paid for by a candidate or an authorized candidate committee, it must also state clearly whether the communication was or was not authorized by such candidate or candidate's committee. 2 U.S.C. § 441d(a).

10. Utahns for Ethical Government produced and published a newspaper insert opposing Orton's opponent's candidacy, which appeared in numerous newspapers in the Third Congressional District on or about October 30, 1990. The disclaimer on the insert stated that it was paid for by "Utahns for Ethical Government, a non-partisan, independent citizens group." The advertisement did not state whether it had been authorized by any candidate or candidate's committee. Additionally, two full page UEG advertisements urging "Don't Vote for Snow" and "Get Out and Vote Against Snow" appeared in the Provo Daily Herald newspaper on November 4 and November 5, 1990, respectively. The disclaimer on each advertisement reads "Paid for by Utahns for Ethical Government" but does not state whether the advertisement had been authorized by any candidate or candidate's committee. Finally, UEG aired a 60-second radio advertisement on station KSL in Salt Lake City, Utah, several times on Monday, November 5, 1990, which opposed Orton's opponent. The script includes a disclaimer that says, "Ad paid

9704383119 2

for by Utahns for Ethical Government." However, the disclaimer does not state whether the advertisement had been authorized by any candidate or candidate's committee.

REGISTRATION WITH THE COMMISSION

11. A "political committee" is any committee, club, association or other group of persons which receives contributions or makes expenditures aggregating in excess of $1,000 during a calendar year. 2 U.S.C. § 431(4). All political committees must file a Statement of Organization with the Commission within ten days of becoming a political committee. 2 U.S.C. § 433(a).

12. UEG's total expenditures exceeded $1,000 as of October 26, 1990. Pursuant to 2 U.S.C. § 433(a), UEG was required to file a Statement of Organization with the Commission not later than November 5, 1990. UEG filed its Statement of Organization on November 14, 1990.

THEREFORE, it is hereby ORDERED, ADJUDGED AND DECREED:

1. That based on the stipulations of the parties and for the purposes of reaching settlement in this case, no determination is made concerning the Commission's probable cause finding that UEG made excessive contributions to Orton for Congress in violation of 2 U.S.C. § 441a(a)(1)(A) or 2 U.S.C. § 434(b), which the UEG defendants dispute.

2. That UEG Defendants accepted $1,800 in in-kind contributions from Fugal & Fugal, Inc. d/b/a Peggy Fugal Advertising that were made in the names of Sherman Fugal and Jayson Fugal, in violation of 2 U.S.C. §§ 441b(a) and 441f. UEG Defendants reported $1,800 in

9704383193

in-kind contributions from Fugal & Fugal, Inc. d/b/a Peggy Fugal Advertising as in-kind contributions from Sherman Fugal and Jayson Fugal, in violation of 2 U.S.C. § 434(b).

3. That UEG Defendants' communications in opposition to the candidacy of Karl Snow made through general public political advertising did not carry disclaimers stating clearly whether the communications were authorized by any candidate or candidate's committee, in violation of 2 U.S.C. § 441d(a).

4. That UEG Defendants failed to file their Statement of Organization in a timely manner, in violation of 2 U.S.C. § 433(a).

ACCORDINGLY, it is further ORDERED, ADJUDGED AND DECREED:

5. That UEG Defendants shall pay a civil penalty to the Federal Election Commission in the amount of nine thousand dollars ($9,000). UEG Defendants will pay a refund of one thousand eight hundred dollars ($1,800) to Fugal & Fugal, Inc., or will remit the same amount to the United States Treasury in lieu of a refund. Without admitting any liability therefor, and for purposes of reaching settlement in this case, and as a matter of accounting treatment only, UEG Defendants shall amend their 1990 termination report so that all expenditures will be reported on Schedule B as in-kind contributions to Orton for Congress. All payments to vendors itemized on Schedule E of UEG Defendants' original 1990 termination report shall be itemized in memo entries on Schedule B of the amended report. UEG Defendants shall have no more than thirty (30) days from the date of the Court's order to comply with and implement the requirements contained herein.

9704383119 4

United States District Court
for the
District of Utah
April 29, 1997

* * MAILING CERTIFICATE OF CLERK * *

Re: 2:95-cv-00977

True and correct copies of the attached were mailed by the clerk to the following:

Richard B. Bader, Esq.
FEDERAL ELECTION COMMISSION
999 E STREET NW
WASHINGTON, DC 20463

Mr. James R. Holbrook, Esq.
CALLISTER NEBEKER & MCCULLOUGH
10 E SOUTH TEMPLE STE 900
SALT LAKE CITY, UT 84133
FAX 9,3649127

Robert F. Bauer, Esq.
PERKINS COIE
607 14TH STREET NW STE 800
WASHINGTON, DC 20005-2011

Mr. Randy L Dryer, Esq.
PARSONS BEHLE & LATIMER
201 S MAIN ST STE 1800
PO BOX 45898
SALT LAKE CITY, UT 84111-0898
FAX 9,5366111

9704331195

Lawrence M. Noble
General Counsel

Richard B. Bader
Associate General Counsel

Stephen E. Hershkowitz
Assistant General Counsel

David Kolker
Attorney

FOR THE PLAINTIFF
FEDERAL ELECTION COMMISSION
999 E Street, N.W.
Washington, DC 20463
(202) 219-3400

James R. Holbrook
Callister Nebeker & McCullough
Gateway Tower East, Suite #900
10 East South Temple
Salt Lake City, Utah 84133
(801) 530-7300

FOR THE DEFENDANTS
WILLIAM H. ORTON, ORTON FOR CONGRESS,
AND JENNIFER WILSON, AS TREASURER

J. Michael Bailey
Parsons Behle & Latimer
201 So. Main St., Suite 1800
P.O. Box 45898
Salt Lake City, Utah 84145-0898
(801) 532-1234

FOR THE DEFENDANTS
UTAHNS FOR ETHICAL GOVERNMENT AND SCOTT
LEE NORTON, AS TREASURER

FILED
APR 10 11 02 AM '97
MAR 2 9 59 AM '97
97043831196

IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF UTAH
CENTRAL DIVISION

FEDERAL ELECTION COMMISSION Plaintiff, v. WILLIAM H. ORTON, et al. Defendants.	)	STIPULATION AND ORDER OF DISMISSAL OF ORTON DEFENDANTS Civil No. 2:95-CV-977W Chief Judge David K. Winder Magistrate Judge Ronald N. Boyce

FEDERAL ELECTION COMMISSION
RECEIVED
MAY 2 9 58 AM '97

9704383197

STIPULATION

This action for declaratory, injunctive, and other relief was instituted by the plaintiff Federal Election Commission ("Commission" or "FEC") against the defendants Utahns for Ethical Government and Scott Lee Norton, as treasurer ("UEG Defendants") and against William H. Orton, Orton for Congress, and Jennifer Wilson, as treasurer ("Orton Defendants") pursuant to the authority granted the Commission by 2 U.S.C. §§ 437d(a)(6), 437g(a)(6)(A) of the Federal Election Campaign Act of 1971, as amended ("FECA" or the "Act").

This Court has original jurisdiction over this suit pursuant to 28 U.S.C. § 1345 as an action brought by an agency of the United States expressly authorized to sue by an Act of Congress. Venue is properly found in the Central Division of the District of Utah in accordance with 2 U.S.C. § 437g(a)(6)(A) as defendants can be found, reside, or transact business in this district. The Commission has satisfied all jurisdictional requirements which are prerequisites to filing this suit.

This case concerns campaign expenditures made in connection with the 1990 general election for the United States Representative from the Third Congressional District of Utah ("election"). The Commission found probable cause to believe that approximately $11,500 in campaign expenditures made by UEG were coordinated with William H. Orton and his campaign as the term "coordinated expenditures" is defined under the Act. The Act defines such coordinated expenditures to be in-kind contributions under the Act, rather than independent expenditures. Orton disputed the Commission's finding of probable cause.

The Commission has no direct evidence that either Orton, Orton for Congress, or any agent of Orton or his authorized committee requested, cooperated with, or coordinated any expenditure by any of the other parties regarding the violations of law which are the subject of this litigation. Orton directed his campaign staff not to make his opponent's previous financial activities a campaign issue, and stated publicly that he would not raise the issue of his opponent's previous financial activities as part of his campaign.

The Commission and the Orton Defendants have agreed to resolve their dispute without resort to trial and, therefore, pursuant to Fed. R. Civ. P. 41(a)(2), hereby stipulate to the dismissal with prejudice by the Court of all of the Commission's claims against the Orton Defendants, with the Commission and the Orton Defendants to bear their own respective fees and costs in this litigation.

DATED this 24th day of April, 1997.

Lawrence M. Noble
General Counsel

WILLIAM H. ORTON

9704383198

Richard B. Bader
Associate General Counsel

JENNIFER WILSON

Stephen E. Hershkowitz
Assistant General Counsel

James R. Holbrook

FOR THE PLAINTIFF
FEDERAL ELECTION COMMISSION
999 E Street, N.W.
Washington, D.C. 20463
(202) 219-3400

James R. Holbrook
Callister Nebeker & McCullough
Gateway Tower East, Suite #900
10 East South Temple
Salt Lake City, Utah 84133
(801) 530-7342
FOR THE DEFENDANT ORTON FOR CONGRESS

ORDER

Based upon the foregoing Stipulation, and for good cause appearing, it is hereby ORDERED that all of the Commission's claims against the Orton Defendants are hereby dismissed with prejudice, with the Commission and the Orton Defendants to bear their own respective fees and costs in this litigation.

DATED this 25 day of April, 1997.

BY THE COURT:

HON. DAVID K. WINDER
Chief Judge

[illegible]

9704383199

tl

United States District Court
for the
District of Utah
April 29, 1997

* * MAILING CERTIFICATE OF CLERK * *

Re: 2:95-cv-00977

True and correct copies of the attached were mailed by the clerk to the following:

Richard B. Bader, Esq.
PEDERAL ELECTION COMMISSION
999 E STREET NW
WASHINGTON, DC 20463

Mr. James R. Holbrook, Esq.
CALLISTER NEBEKER & MCCULLOUGH
10 E SOUTH TEMPLE STE 900
SALT LAKE CITY, UT 84133
FAX 9,3649127

Robert F. Bauer, Esq.
PERKINS COIE
607 14TH STREET NW STE 800
WASHINGTON, DC 20005-2011

Mr. Randy L Dryer, Esq.
PARSONS BEHLE & LATIMER
201 S MAIN ST STE 1800
PO BOX 45898
SALT LAKE CITY, UT 84111-0898
FAX 9,5366111

9704383120 0

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 1, 1997

Mr. Thomas J. Scribner, Esq.
Fisher, Scribner, Moody & Stirland
2696 North University Avenue, Suite 220
Provo, Utah 84604

RE: MUR 3192
Fugal & Fugal, Inc.
and Peggy Fugal, as an officer

Dear Mr. Scribner:

On November 6, 1995, you were notified that the Federal Election Commission had accepted a conciliaton agreement submitted on behalf of your clients, Fugal & Fugal, Inc. and Peggy Fugal, as an officer, in settlement of the above-captioned matter, and that the Commission had closed the file with respect to your clients. However, you were also reminded that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remained in effect until the entire matter was closed. You were notified that you would be advised when the entire file was closed.

This is to advise you that this matter is now closed. The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. If you wish to submit any factual and legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

If you have any questions, please contact me at (202) 219-3690.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

Celebrating the Commission's 20th Anniversary
YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED

9704383120 1

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 1, 1997

Ms. Jacqueline F. de Gaston, Treasurer
Republicans for Orton
505 East 4750 North
Provo, Utah 84604

RE: MUR 3192
Republicans for Orton
and Jacqueline F. de Gaston,
as treasurer and individually

Dear Ms. de Gaston:

On September 26, 1995, you were notified that the Federal Election Commission ("Commission") had determined to take no further action with respect to its earlier finding that there was reason to believe that Republicans for Orton and you, as treasurer, had violated 2 U.S.C. § 434(c); that the Commission had found no reason to believe that you, in your personal capacity, had violated 2 U.S.C. § 437g(a)(12); and that the Commission had closed its file in this matter with respect to Republicans for Orton and you, as treasurer, and with respect to you in your personal capacity. However, you were also reminded that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remained in effect until the entire matter was closed. You were notified that you would be advised when the entire file was closed.

This is to advise you that this matter is now closed. The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. If you wish to submit any factual and legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

If you have any questions, please contact me at (202) 219-3690.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

Celebrating the Commission's 20th Anniversary
YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED

9704383202

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 1, 1997

Mr. Matthew J. Harmer, Esq.
Parsons, Behle & Latimer
One Utah Center
201 South Main Street, Suite 1800
P.O. Box 45898
Salt Lake City, Utah 84145-0898

RE: MUR 3192
Matthew J. Harmer

Dear Mr. Harmer:

On September 26, 1995, you were notified that the Federal Election Commission had found no reason to believe that you violated any provision of the Federal Election Campaign Act of 1971, as amended, in connection with the above-captioned matter, and had closed its file in this matter with respect to you. However, you were also reminded that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remained in effect until the entire matter was closed. You were notified that you would be advised when the entire file was closed.

This is to advise you that this matter is now closed. The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

If you have any questions, please contact me at (202) 219-3690.

Sincerely,

Lawrence L. Calvert Jr.

Lawrence L. Calvert Jr.
Attorney

9704383120 3

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 1, 1997

Ms. Vivien Harmer
c/o Matthew J. Harmer, Esq.
Parsons, Behle & Latimer
One Utah Center
201 South Main Street, Suite 1800
P.O. Box 45898
Salt Lake City, Utah 84145-0898

RE: MUR 3192
Vivien Harmer

Dear Ms. Harmer:

On September 26, 1995, you were notified that the Federal Election Commission had found no reason to believe that you violated any provision of the Federal Election Campaign Act of 1971, as amended, in connection with the above-captioned matter, and had closed its file in this matter with respect to you. However, you were also reminded that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remained in effect until the entire matter was closed. You were notified that you would be advised when the entire file was closed.

This is to advise you that this matter is now closed. The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

If you have any questions, please contact me at (202) 219-3690.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

Celebrating the Commission's 20th Anniversary
YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED

9704383204

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 1, 1997

Mr. John Darger
4932 West 13400 South
Riverton, Utah 84065

RE: MUR 3192

Dear Mr. Darger:

On September 26, 1995, you were notified that the Federal Election Commission had decided to take no action with respect to you in the above-referenced matter and had closed the file with respect to you. However, you were also reminded that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remained in effect until the entire matter was closed. You were notified that you would be advised when the entire file was closed.

This is to advise you that this matter is now closed. The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

If you have any questions, please contact me at (202) 219-3690.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

9704383120 5

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 1, 1997

Mr. Mickey Cochran
743 East 640 North
Orem, Utah 84065

RE: MUR 3192

Dear Mr. Cochran:

On September 26, 1995, you were notified that the Federal Election Commission had decided to take no action with respect to you in the above-referenced matter and had closed its file with respect to you. However, you were also reminded that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remained in effect until the entire matter was closed. You were notified that you would be advised when the entire file was closed.

This is to advise you that this matter is now closed. The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

If you have any questions, please contact me at (202) 219-3690.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

9704383120 6

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 1, 1997

Ms. Rose Higa
236 North 2270 West
Provo, Utah 84601

RE: MUR 3192

Dear Ms. Higa:

On September 26, 1995, you were notified that the Federal Election Commission had decided to take no action with respect to you in the above-referenced matter and had closed its file with respect to you. However, you were also reminded that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remained in effect until the entire matter was closed. You were notified that you would be advised when the entire file was closed.

This is to advise you that this matter is now closed. The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

If you have any questions, please contact me at (202) 219-3690.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

9704383207

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 1, 1997

Mr. C. Eric Schulzke
1840 Little Creek Road
Auburn, California 95602

RE: MUR 3192

Dear Mr. Schulzke:

On September 26, 1995, you were notified that the Federal Election Commission had decided to take no action with respect to you in the above-referenced matter and had closed its file with respect to you. However, you were also reminded that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remained in effect until the entire matter was closed. You were notified that you would be advised when the entire file was closed.

This is to advise you that this matter is now closed. The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

If you have any questions, please contact me at (202) 219-3690.

Sincerely,

Lawrence L. Calvert Jr.
Attorney

9704383120 8

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 3192

DATE FILMED 8-6-97 CAMERA NO. 2

CAMERAMAN S.E.C

97043831209